Queanbeyan-Palerang Affordable Housing Strategy:

Background Paper



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This report has been prepared for

Queanbeyan-Palerang Regional Council

by

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Table of Contents

1 Executive Summary 1
1.1 Background to Project 1
1.2 About the Draft Background Report 1
1.3 What is Affordable Housing? 2
1.4 Why is Affordable Housing Important? 3
1.5 Overview of Findings from *Background Paper* 4
1.5.1 Overview 4
1.5.2 Need for Affordable Housing 5
1.5.3 Ability of Market to Provide Housing Affordability 6
1.5.4 Who are the Target Groups? 8
1.6 Strategic Implications 8
1.6.1 Overview of Mechanisms and Strategies 8
1.6.2 Potential Mechanisms and Strategies 11
2 Socio-Economic Context 19
2.1 Introduction 19
2.2 Population Trends 19
2.2.1 Population Overview 19
2.3 Socio-Economic Indexes for Areas (SEIFA) 2016 20
2.4 Age Profile 21
2.5 Income Profile 24
2.6 Household Composition 25
2.7 Need for Assistance (Disability) 28
2.8 Cultural Diversity 29
2.9 Educational Profile 30
2.9.1 Highest year of school completed 30
2.10 Population Projections 31
2.10.1 Overview 31
2.10.2 Population Projections 31
2.10.3 Dwellings Projections 2016-41 32
2.10.4 Age Profile Forecast 2016-41 33
2.10.5 Household Type Projections 2016-41 37
2.11 Migration Trends 39
2.11.1 Overall Migration 39
2.12 Journey to Work 44
2.12.1 Employed Residents of QP LGA 44
2.12.2 Place of work in QP LGA (Local Employment) 44
3 Housing Context 46
3.1 Structure of Occupied Private Dwellings (OPDs) 46
3.1.1 Structure of OPDs (2021) 46
3.1.2 Change in Structure of OPDs (2006-2021) 48
3.2 Household Tenure Profile 2021 50
3.2.1 Tenure Profile (2021) 50
3.2.2 Change in Tenure Profile (2006-2021) 53
3.2.3 Change in social housing dwellings over 15 years (2006-2021) 56
3.2.4 Rental Data from ABS (2021) Census 57
3.2.5 Mortgage Data from ABS (2021) Census 58
3.3 Homelessness and 'At Risk' of Homelessness 60
3.3.1 What is homelessness? 60

DRAFT

3.3.2 General Characteristics of Homeless People 60
3.3.3 Profile of homelessness in QP LGA (2016) 65
3.4 Boarding Houses 66
3.5 Caravan/Residential Parks and MHEs 67
3.5.1 Demography of Caravan/Residential Parks and MHEs 67
3.5.2 Caravan parks in Queanbeyan area 69
4 Planning, Funding & Policy Environment 72
4.1 Overview 72
4.2 Federal Government 72
4.2.1 Overview 72
4.2.2 Housing Australia Future Fund ($10 billion) 72
4.2.3 Help to Buy (Shared Equity scheme) 73
4.2.4 Regional First Home Buyer Scheme 73
4.2.5 Restoring Funding for Homelands and Improving Remote Housing 74
4.2.6 National Housing Supply and Affordability Council 74
4.3 NSW Government provision and management of social and affordable housing (LAHC, DCJ) 74
4.3.1 Future Directions for Social Housing in NSW (2016) 74
4.3.2 A pathway home: 2022-23 Housing Package 76
4.3.3 Land and Housing Corporation Portfolio Strategy 2040 78
4.3.4 Covid-19 Stimulus Funding for Social and Affordable Housing 78
4.4 The NSW Planning Context 79
4.4.1 Affordable Housing support in EP&A Act and related policies 79
4.4.2 Opportunities and constraints of principal legislation 79
4.4.3 SEPP (Housing) 2021 81
4.4.4 NSW Housing Strategy 85
4.5 The Regional Planning Context 87
4.5.1 Regional Growth and Development 87
4.6 The Local Planning Context 89
4.6.1 Queanbeyan-Palerang Local Environmental Plan 2020 89
4.6.2 Towards 2040: Queanbeyan-Palerang Regional Council Local Strategic Planning Statement 89
4.6.3 Community Strategic Plan 2018-28 93
4.6.4 Bungendore Structure Plan 93
4.6.5 Googong Local Planning Agreement 93
5 Housing Cost and Affordability 94
5.1 What is Affordable Housing? 94
5.2 Why is Affordable Housing important? 95
5.3 What are the types of 'Affordable Housing'? 96
5.4 Comparative Housing Cost (Rental & Purchase) 100
5.4.1 Overview 100
5.4.2 Comparative Rents & Change Over Time (2017-2022) 100
5.4.3 Comparative Purchase & Change Over Time (2017-2021) 103
5.5 Comparative Affordability of Housing 106
5.5.1 Overview 106
5.5.2 Rental Affordability 106
5.5.3 Social Housing Waiting Times for Queanbeyan (as at June 2021) 110
5.5.4 Purchase Affordability 111
5.5.5 EAC Red Square Database 112
5.5.1 Regression Analysis of Sales Prices 117
5.6 Housing Stress 120

DRAFT

5.6.1 Overview 120
5.6.2 Housing Stress among Renters 121
5.6.3 Housing Stress among Home Purchasers 123
5.7 Case Studies 125
5.7.1 Key Worker Case Studies 125
5.7.2 Centrelink Recipients Case Studies 127
5.8 Gap Analysis 128
5.8.1 Need for affordable housing 128
5.9 Ability of the Market to Supply Affordable Housing 131
6 Stakeholder consultation 132
6.1 Overview 132
6.2 Key findings from consultation 133
6.2.1 Overview 133
6.2.2 Findings from State government agencies (AHO, DCJ and LAHC) 135
6.2.3 Findings from community housing, specialist homelessness services and support organisations. 136
6.2.4 Findings from real estate agents on factors influencing the private rental market 140
6.2.5 Findings from developers 143
7 Planning Mechanisms and Strategies 144
7.1 Overview of Mechanisms and Strategies 144
7.2 Limited Market Intervention 146
7.2.1 Define affordable housing, set benchmarks and assess need 146
7.2.2 Include objectives in EPIs, and develop a strategy & policy 146
7.2.3 Assess where and for whom the market is supplying genuinely affordable housing 147
7.2.4 Set Affordable Housing Targets 147
7.2.5 Ensure adequate supply of land to meet projected need 149
7.2.6 Ensure efficient approvals process 149
7.2.7 Advocate to other levels of government for an increase in Affordable Housing resources or policy responses 150
7.2.8 Convene forums with industry, public and community sector to raise awareness and develop responses. 151
7.2.9 Provide planning, building or design support to community or private sector developers 151
7.3 Facilitative Intervention 151
7.3.1 Overview 151
7.3.2 Remove Impediments in Local Planning Instruments 152
7.3.3 Actively Encourage Take Up of Housing SEPP Opportunities 158
7.3.4 Incentive based variations 166
7.4 Mandatory Intervention 167
7.4.1 Introduction 167
7.4.2 Mandating Housing Diversity 167
7.4.3 Mandate Contribution to Affordable Housing 168
7.4.4 Protect low cost housing 169
7.5 Direct Market Intervention 170
7.5.1 Introduction 170
7.5.2 Cost reduction 170
7.5.3 Provision of Affordable Housing on Council or Other Public Land 171
7.5.4 Redevelopment of Social Housing 177
7.5.5 Crisis, short-term, temporary & transitional accommodation 178

Figures

DRAFT

Figure 1.1: Mechanisms and Strategies to Create Affordable Housing along a Continuum of Planning Intervention 10
Figure 2.1: Median age, 2021 22
Figure 2.2: Median age including small areas, 2021 22
Figure 2.3: Age profile 2021 23
Figure 2.4: Age profile Queanbeyan-Palerang LGA small areas, 2021 24
Figure 2.5: Median weekly household income, 2021 24
Figure 2.6: Median weekly household income including small areas, 2021 25
Figure 2.7: Household composition QPR LGA compared with Rest of NSW, NSW and ACT . 26
Figure 2.8: Household composition for small areas within QPR LGA 27
Figure 2.9: Household Composition (%) Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT (2006-21) 27
Figure 2.10: Household Composition Change (percentage point) Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT (2006-21) 28
Figure 2.11: Need for assistance profile, 2021 28
Figure 2.12: Need for assistance profile for small areas, 2021 29
Figure 2.13: Highest year of school completed, 2021 30
Figure 2.14: Highest year of school completed for small areas, 2021 30
Figure 2.15: Inward, Outward and Net Migration (2011-16) QP LGA 39
Figure 2.16: Place of Residence 5 Years Ago – Googong State Suburb 40
Figure 2.17: Place of Residence 5 Years Ago – Bungendore State Suburb 40
Figure 2.18: Inward, Outward and Net Migration by Individual Income (2011-16) QP LGA 42
Figure 2.19: Inward, Outward and Net Migration by Age (2011-16) QP LGA 43
Figure 3.1: Dwelling structure profile Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT (% of All OPDs) 46
Figure 3.2: Dwelling structure profile small areas within QP LGA (% of All OPDs) 47
Figure 3.3: Dwelling structure change (%) Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT (2006-21) 49
Figure 3.4: Dwelling structure change (percentage point) Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT (2006-21) 49
Figure 3.5: Dwelling tenure profile Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT 2021 51
Figure 3.6: Household Tenure Change (%) Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT (2006-21) 53
Figure 3.7: Household Tenure Change (percentage point) Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT (2006-21) 54
Figure 3.8: Change in no. of social housing dwellings by structure QP LGA 2006-2021 56
Figure 3.9: Percent change in social housing dwellings by structure type in QPR LGA compared with Rest of NSW, NSW and ACT, 2006-2021 56
Figure 3.10: Median weekly rent, 2021 57
Figure 3.11: Median weekly rent including small areas, 2021 58
Figure 3.12: Median monthly mortgage repayments, 2021 59
Figure 3.13: Median monthly mortgage repayments including small areas, 2021 59
Figure 3.14: Situation ever experienced homelessness 62

DRAFT

Figure 3.15: All reasons for most recent experience of homelessness. 62
Figure 3.16: Time since last experienced homelessness. 63
Figure 3.17: Length of time of most recent experience of homelessness. 63
Figure 3.18: Whether sought assistance from service organisation(s) during most recent experience of homelessness. 64
Figure 3.19: All types of service providers used during most recent experience of homelessness. 64
Figure 3.20: Studio apartment 27/25 Macquiod Street Queanbeyan - $320 p/w 1/8/2022 67
Figure 3.21: Studio apartment 2/13-15 Gilmore Place, Queanbeyan - $320 p/w 1/8/2022 67
Figure 5.1: Change in real rents 2017-2022 (March Quarter 2022 $), Median 1 BR Flat/Unit, Queanbeyan-Palerang LGA and NSW 101
Figure 5.2: Change in real rents 2017-2022 (March Quarter 2022 $) Median 2 BR Flat/Unit, Queanbeyan-Palerang LGA and NSW 102
Figure 5.3: Change in real rents 2017-2022 (March Quarter 2022 $) Median 3BR House, Queanbeyan-Palerang LGA and NSW 103
Figure 5.4: Change in real sales 2017-2021 (Dec Quarter 2021 $'000) Median Strata QP LGA & NSW 104
Figure 5.5: Change in real sales 2017-2021 (Dec Quarter 2021 $'000) Median Non-Strata, Queanbeyan-Palerang LGA and NSW 105
Figure 5.6: Social housing waiting times for Queanbeyan Allocation Zone as at June 2021 110
Figure 5.7: Housing Stress among very low, low and moderate income renting households in Queanbeyan-Palerang LGA compared with Rest of NSW 122
Figure 5.8: Housing Stress among very low, low and moderate income purchasing h/holds in Queanbeyan-Palerang LGA compared with Rest of NSW 124
Figure 7.1: Mechanisms and Strategies to Create Affordable Housing along a Continuum of Planning Intervention 145
Figure 7.2: New Generation Boarding Houses managed by Hume Community Housing 160
Figure 7.3: New Generation Boarding Houses managed by Hume Community Housing 160
Figure 7.4: Abbeyfield House, Williamstown, South Australia 161

Tables

Table 1-1: Affordable Housing Income, Rental and Purchase Benchmarks – Rest of NSW 3
Table 1-2: Need for Affordable Housing to 2041 (Current and Additional/Projected 2016-41) 6
Table 2-1: Total Population for Selected Areas 20
Table 2-2Socio-Economic Indexes for Areas (SEIFA) 2016 (Percentile) 21
Table 2-3: Key population, households and dwelling forecasts (2016-41) 31
Table 2-4: Population projections to 2041, small areas within QPR LGA 32
Table 2-5: Dwelling projections to 2041, small areas within QPR LGA 33
Table 2-6: Change in Total Population for Selected Forecast Areas by Age Group, 2016 to 2041 36
Table 2-7: Household Projection 2016- 2041 QPR LGA 37
Table 2-8: Change in households for Selected Forecast Areas by household type, 2016 to 2041 using .id projections 38
Table 2-9: Employed People who Live in Queanbeyan-Palerang LGA 44

DRAFT

Table 2-10: People whose Place of Work is Queanbeyan-Palerang LGA 45
Table 3-1: Structure of Occupied Private Dwellings (OPDs) as % of All OPDs in Selected Areas 47
Table 3-2: Change in Number of OPDs by Dwelling Structure (2006-21)..... 48
Table 3-3: Change in OPDs by Dwelling Structure (Percentage Point) (2006-21) 50
Table 3-4: Dwelling Tenure Profile (%) for Selected Areas (2021) 52
Table 3-5: Change in Number of OPDs by Tenure Type (2006-21)..... 54
Table 3-6: Change in OPDs by Dwelling Tenure Type (Percentage Point) (2006-21)..... 55
Table 3-7: Caravan/Residential Parks in Queanbeyan-Palerang LGA..... 68
Table 3-8: People Counted at Home in Caravan/Residential Parks in Queanbeyan-Palerang LGA compared with All People in Rest of NSW 69
Table 5-1: Affordable Housing Income, Rental and Purchase Benchmarks – Rest of NSW..... 94
Table 5-2: Types of Affordable Rental Accommodation 97
Table 5-3: Types of Affordable Purchase Housing 98
Table 5-4: Median Rents for 1 & 2 B/R Units and 3 B/R Houses for Selected Areas (March Quarter 2022) 101
Table 5-5: Median Sales Price for Strata & Non-Strata Dwellings (Dec Quarter 2021)..... 104
Table 5-6: March Quarter 2022 Rent Report for 1 & 2 BR Flats/Units in Postcodes 2619, 2620, 2621, 2622, Queanbeyan-Palerang LGA, Rest of State and NSW by affordability bands..... 107
Table 5-7: March Quarter 2022 Rent Report for 3 BR Houses in Postcodes 2619, 2620, 2621, 2622, Queanbeyan-Palerang LGA, Rest of State and NSW by affordability bands 108
Table 5-8: Median rentals for strata and non-strata properties x bedroom x SA2 109
Table 5-9: Breakdown of Waiting List for Social Housing by Type and Area 111
Table 5-10: Sale Prices for Strata & Non-Strata Dwellings for Selected Areas (Dec Quarter 2021) 112
Table 5-11: EAC Red Square Sales of Residential Strata Dwellings, May 2020-May 2022, Queanbeyan-Palerang LGA 113
Table 5-12: EAC Red Square Sales of Residential Non-Strata Dwellings, May 2020-May 2022, Queanbeyan-Palerang LGA 115
Table 5-13: EAC Red Square Sales of Vacant Land, May 2020-May 2022, Queanbeyan-Palerang LGA – Affordability is based on construction of an entry level project home at $210,000..... 116
Table 5-14: Linear regression analysis for separate houses for suburbs in QP LGA 118
Table 5-15: Linear regression analysis for strata properties in Queanbeyan-Palerang LGA 119
Table 5-16: Linear regression analysis for land sales for suburbs in QP LGA 120
Table 5-17: Break Down of Relative Housing Stress among Income and Tenure Groups 121
Table 5-18: Renting Households in Housing Stress for Queanbeyan-Palerang LGA..... 123
Table 5-19: Purchasing Households in Housing Stress for Queanbeyan-Palerang LGA..... 125
Table 5-20: Need for Affordable (including Social) Housing to 2041 (Current and Additional) 129
Table 7-1: Affordable Housing Income, Rental and Purchase Benchmarks – Rest of NSW..... 146
Table 7-2: Need for Affordable Housing to 2041 (Current and Additional/Projected 2016-41) 148
Table 7-3: Actual parking and recommended parking - Apartments 157
Table 7-4: Actual parking and recommended parking – Separate dwellings and multi-dwelling housing..... 157
Table 7-5: Preliminary assessment of uplift associated with rezoning of rural land..... 168

DRAFT

Table 7-6: Comparison of Options for MHE or Caravan Park..... 173
Table 7-7: Comparison of Options for Indicative Developments 175
Table 7-8: Comparison of Options for Indicative Developments 177

DRAFT

1 Executive Summary

1.1 Background to Project

Queanbeyan-Palerang Regional Council has engaged Judith Stubbs and Associates (JSA) to prepare the *Queanbeyan-Palerang Affordable Housing Strategy* to assist Council in understanding the current and projected need for affordable housing, issues that may influence the delivery of affordable housing in the future, and the most effective actions Council can take to address these issues in the context of the local housing market.

The overarching aim of the project is to produce an *Affordable Housing Strategy* to provide a framework to respond to housing need in the Queanbeyan-Palerang to 2041. In particular, the *Strategy* will provide an evidence-based approach to increasing affordable housing for key target groups, focusing on strategies likely to be most effective in the local context.

Whilst all levels of government have an important role to play in creating the policy settings and frameworks that support people wherever they are on the affordable housing continuum, it is clear that Queanbeyan-Palerang Regional Council is committed to leadership in relation to initiatives that it is uniquely placed to engage with in this important policy area.

Together with other recently completed strategies and reports by Council, the *Affordable Housing Strategy* will inform the ongoing review of Council's *Local Environmental Plan* and *Development Control Plan*, structure plans and the like; provide data for advocacy and planning; and strategies and mechanisms that seek to increase the supply of affordable, lower cost and diverse housing to meet serious and growing need in the LGA.

1.2 About the Draft Background Report

This *Draft Background Report* provides detailed researched on current and future demographic trends and projections; a detailed analysis of the housing market and of affordable housing need by target group; an analysis of the local economic, land supply and planning context; consultation with key stakeholders to ground-truth preliminary findings and provide qualitative information; a preliminary analysis of potential affordable housing partnership sites with respect to economic feasibility; and a preliminary assessment of planning mechanisms and amendments to existing controls required to ensure more efficient market supply of diverse, low cost and affordable housing options.

This Draft *Background Paper* will be further updated after circulation and feedback from Council staff and elected representatives, and form the basis of strategies and mechanisms in the forthcoming *Queanbeyan-Palerang Affordable Housing Strategy.*

The *Background Paper* is also accompanied by a *Case Study Booklet* that sets out a range of practical examples of good practice in planning, development and design of affordable and diverse housing from previous research and practice undertaken by Judith Stubbs and Associates that could be adapted for Queanbeyan-Palerang LGA.

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1.3 What is Affordable Housing?

Housing is generally considered to be 'affordable' when households that are renting or purchasing are able to meet their housing costs and still have sufficient income to pay for other basic needs such as food, clothing, transport, medical care and education.

'Affordable housing' also has a statutory definition under the *NSW Environmental Planning and Assessment Act 1979 (NSW)*, being housing for very low, low or moderate income households. *SEPP (Housing) 2021* defines 'very low-income' households as those on less than 50% of median household income; 'low-income' households' as those on 50-80% of median household income, and 'moderate-income' households as those on 80-120% of median household income for Rest of NSW.[1]

As a commonly used rule of thumb, affordable housing is taken to be housing where households pay less than 30% of their gross household income on housing costs. This is often regarded as the point at which such households are at risk of having insufficient income to meet other living costs, and deemed to be in 'housing stress'. Those paying more than 50% of gross income are regarded as being in 'severe housing stress'.

'Low cost' housing is often, though not always, 'affordable'. For example, in a premium location, even a small, lower amenity strata dwelling may be 'unaffordable' to a very low-, low- or moderate-income household.

The following table provides benchmarks that are used in this policy when referring to 'affordable housing', in March Quarter 2022 dollars, and are consistent with relevant NSW legislation.

It can be seen from the table below that, for rental to be 'affordable' under statutory definitions, rental costs would need to be less than $223 per week for a very low income household, between $224 and $356 for a low income household, and between $357 and $534 for a moderate income household as per the Rest of NSW benchmarks.

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[1] Rest of NSW is NSW less the greater Sydney area, i.e., regional NSW.

Table 1-1: Affordable Housing Income, Rental and Purchase Benchmarks – Rest of NSW[2]

	Very Low Income Household	Low Income Household	Moderate Income Household
Income Benchmark	<50% of Gross Median Household Income for Rest of NSW	50%-80% of Gross Median Household Income for Rest of NSW	80%-120% of Gross Median Household Income for Rest of NSW
Income Range (2)	<$742 per week	$743-$1,187 per week	$1,188-$1,781 per week
Affordable Rental Benchmarks (3)	<$223 per week	$224-$356 per week	$357-$534 per week
Affordable Purchase Benchmarks (4)	<$255,000	$255,001-$406,000	$406,001-$610,000

Source: JSA 2022, based on data from ABS (2021) Census of Population and Housing, ABS (2022) CPI, indexed to March Quarter 2022 dollars, ANZ Home Loan Repayment Calculator https://www.anz.com.au/personal/home-loans/calculators-tools/calculate-repayments/

1.4 Why is Affordable Housing Important?

Anyone in the community could need affordable housing. This includes a young person seeking to live near where they grew up, a recently separated or divorced person with children for whom conventional home ownership may no longer be economically viable, households dependent on one (or even two) low or median waged, key worker jobs, or an older person on a reduced retirement income, including after divorce or the death of a spouse.

Lack of affordably priced housing not only affects the quality of life of individual families, who may be sacrificing basic necessities to pay for their housing, it also has a serious impact on employment growth and economic development. The loss of young families and workers in lower paid essential service jobs can adversely affect local economies, and is contributing to labour shortages in some regions of NSW. The displacement of long-term residents reduces social cohesion, engagement with community activities (such as volunteering), and extended family support.

As well as impacting on the health and wellbeing of low income families, and older and younger people, this can contribute to a lack of labour supply among 'key workers' who are essential to various services including childcare, aged services, health care, tourism, hospitality and emergency services, but whose wage increasingly does not allow them to access rental or purchase housing close to where they work. Affordably priced housing is thus an important form of community infrastructure that supports community wellbeing and social and economic sustainability, including a diverse labour market and economy, and strong and inclusive communities.

[2] (1) All values reported in March Qtr 2022 dollars; (2) Total weekly household income; (3) Calculated as 30% of total weekly household income; (4) Calculated using ANZ Loan Repayment Calculator, using 05 July 2022 interest rate (3.94% pa) and assuming a 20% deposit for a 30 year ANZ Standard Variable Home Loan and 30% of total household income as repayments.

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It is also important that affordable housing is well-located to reduce car dependency, improve access to services and facilities for lower income and more vulnerable people, and reduce costs to very low, low and moderate income households. As such, the research is focused on areas around the major centres of **Queanbeyan and surrounds, Bungendore and Braidwood**.

1.5 Overview of Findings from *Background Paper*

1.5.1 Overview

It is widely acknowledged that there is major shortfall in affordable housing in most cities and many regional communities across Australia. The most severe and lasting impacts are experienced by **very low and low income households in unaffordable private rental accommodation** who do not gain the benefits that accrue to home purchasers, including long-term capital gains and a decreasing debt to household income ratio over time, and for whom social rental and home ownership is increasingly inaccessible.

A 'perfect storm' of housing, funding and economic factors has resulted in an affordable housing crisis in areas like QP LGA, and in increasing homelessness amongst even those who would once have been able to access private rental, including lower income working people and moderate income families; and intensifying impacts for more vulnerable people.

These factors include inadequate long-term supply of private rental accommodation, increasing demand from contract workers, cyclical employment in the public sector and expansion in industries such as mining, defence and construction, as well as from those born overseas on visas that require them to live in a regional area while accessing work in the ACT. The effects of the COVID 19 pandemic are also apparent in the local housing market, including the movement of people on higher incomes from cities to regions like QP LGA, and the loss of private rental properties through sale or return to owner occupancy, with both short-term and structural changes in patterns of living and working likely.

This has resulted in a near 0% vacancy rate currently, and 'one of the worst housing markets ever seen' by many services and real estate agents interviewed in the LGA. It has also resulted in growth in the real cost of purchase of around 20% per annum for strata dwellings and 15% for vacant land over the past two years, controlling for other factors.

A much lower than average rate of increase in housing diversity in the LGA over the past 15 years is also contributing to constrained supply. This includes small lot housing, and smaller (studio and one bedroom) apartments, boarding houses and the like which are major contributors to the supply of private rental accommodation. This lack of diversity is due to apparent planning impediments and economic factors. The increase in permanent and long-term private renters, including those who would have traditionally been home purchasers, is also driving up demand for private rental.

Importantly, social housing supply has failed to keep pace with growing need over many years, and has actually seen a decrease proportionally and in absolute terms over the past decade or so, including through sale of public housing stock, lack of funding for growth, and lack of priority for public housing estate renewal programs that have the potential to grow supply and diversify stock. This is leading to significant increases in waiting times for even high need/priority applicants, with

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these waiting times reported to be increasing from 4 weeks to around 12-18 months in the past few years.

At the lower end of the market, very low income renters and those with special needs have been most seriously affected by the lack of affordable (or indeed almost any) private rental and the severely inadequate supply of social housing, with very low and low income renters making up the majority of those in housing stress, and unable to affordably rent even a one bedroom apartment in the LGA currently.

The severe shortage of dedicated crisis, short-term and transitional accommodation for the increasing number of people at risk of homelessness is affecting those most vulnerable in the housing market, including older single people, sole parent families, those leaving family violence, and people with a disability. Single homeless men remain the largest and possibly the most difficult to accommodate, with only one crisis refuge in the whole of the South East Region (in Wollongong). As well, the severely inadequate supply of private and social rental is leading to increased homelessness among new cohorts, including older women with limited capital, and lower income workers and families, leading one service to comment, 'Finding housing is no longer about having a job – it's about having housing to move into at all'. This is exacerbated by 'exit blocks' from crisis and short-term housing due to the severely inadequate supply of social and private rental, and the loss of accommodation formerly used as temporary accommodation, such as motels and caravan parks, due to increased demand from workers and domestic tourists.

Services, government and industry interviewed for this Background Paper describe an unprecedented situation in the local rental market, and the need for accommodation for very low and low income renters and those most vulnerable in the housing market, as a priority. As well as medium to longer-term strategies, proposed in a preliminary way in **Section 7 below**, there is also a need to develop short-term strategies as a matter of urgency to house the growing number of people described by services as living in unsuitable, overcrowded and unsafe conditions, staying temporarily with others, couch-surfing, sleeping in cars, old caravans or sheds, or sleeping rough.

1.5.2 Need for Affordable Housing

Based on levels of housing stress in Queanbeyan-Palerang LGA in 2016 (the most recent period for which data is available at the time of writing), around 2,200 very low, low and moderate income households were in housing stress. By 2041, this is projected to grow by 1,575 households to a **total of 3,775 households** in housing stress.

By far the most serious affordable housing need is among **very low and low income renters**, who face critical and growing affordability problems, and make up a majority of those in housing stress. Of those projected to be in housing stress by 2041, at least **75% are likely to be renters, with 55% of these on very low incomes,** 25% low incomes and 20% on moderate incomes. Around one-quarter of those in housing stress are likely to be purchasers, with a majority on moderate incomes, and a substantial proportion on low incomes.

This breakdown is shown in summary in the following table, and in more detail in **Section 5 below**.

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Table 1-2: Need for Affordable Housing to 2041 (Current and Additional/Projected 2016-41)

	Renting Households			Purchasing Households		
	Suitable for Lone Persons or Couples w/o Children	Suitable for Families with Children	TOTAL	Suitable for Lone Persons or Couples w/o Children	Suitable for Families with Children	TOTAL
Affordable to Very Low Income Households	798	311	**1109**	107	36	**143**
Affordable to Low Income Households	387	330	**717**	140	110	**249**
Affordable to Moderate Income Households	240	333	**573**	303	204	**507**
TOTAL	**1,712**	**1,165**	**2,877**	**549**	**350**	**899**

Source: JSA calculations, using data from ABS Census of Population and Housing 2016 and .id Consulting Population Forecasts

1.5.3 Ability of Market to Provide Housing Affordability

There is a very limited opportunity for the private market to provide housing that is affordable to meet most current and projected affordable housing need, meaning that **deep subsidies, strong planning intervention and direct funding is likely to be required** to meet the affordable housing need of most of the target groups in the local housing market context.

With regard to **renters**, no very low and low income renters can affordably rent even a median priced one bedroom unit on the private market. This situation is likely to deteriorate significantly in the future, considering both the substantial real increase in rent in recent years, and that newly constructed dwellings are likely to reflect at least median and likely third quartile rents. The situation is somewhat better for the upper 50% of moderate income households, who could affordably rent a smaller strata dwelling, but those needing accommodation suited to families are generally unable to rent affordably through the private market.

This means that around 95% of very low, low and moderate income renters in housing need are excluded from renting affordably through the private market, although the provision of **studio and one bedroom apartments** would be highly beneficial in terms of increasing the supply of lower and

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diverse housing types, and **boarding housing and co-living housing accommodation** would be affordable to some low income renters if they were available. It is also noted that around 75% of flats and units and 50% of medium density housing types in the local housing market are in private rental compared with only around 15% of houses. However, the supply of such accommodation is very constrained, particularly outside of Queanbeyan and Queanbeyan East.

Lower cost **caravan parks and MHEs**, where these were Council or community housing managed and/or where people could bring their own lower cost home to a site, would also be affordable to some of the target group.

In terms of **purchasers**, it is positive that smaller (likely one and two bedroom) strata dwellings provided through the market are affordable to around 25% of low income purchasers and to all moderate income purchasers, with these more likely to be suitable for smaller households. However, in general, non-strata dwellings (houses) were not affordable to any very low, low or moderate income purchasing families with children, although some smaller families may be suitably housed in larger strata dwellings.

This means that around 55% of very low, low and moderate income purchasers are likely to be excluded from affordable purchase in the future, although it is positive that an increase in the supply of **smaller strata dwellings** would provide affordable purchase for around 45% of the relevant target groups, and lower cost (if not affordable) accommodation for others, as well as the benefits of increased housing diversity around key centres. Again, **caravan parks** where people could bring their own dwelling (rather than one subject to exorbitant mark ups from exclusive supply arrangements), as well as **smaller entry level project homes on small lots**, would also likely be beneficial in terms of lower cost (and sometimes affordable) accommodation.

As noted, in JSA's regression analysis, the real cost of purchase has increased by around 20% per annum over the past two years, and house purchase has increased by 11% per annum, controlling for amenity, dwellings and lot size. Economic modelling indicates that lower cost product could be achieved though reduction of minimum lot sizes in areas like Bungendore, reducing standards such as parking and open space requirements for ground floor dwellings in RFBs, and reducing parking and DCP density requirements in Braidwood and Bungendore. This would be expected to flow on to lower cost rental as well with increased rental supply, noting that around 75% of apartments and 50% of Multi dwelling housing enters the private rental market.

When renters and purchasers are combined, this means that around 85% of current and projected affordable housing need is unlikely to be met by the private housing market in the future, and that strong planning intervention and direct funding is likely to be required to meet most of this need. It may be possible to meet somewhat more need through the market if impediments such as those outlined above are reduced, but still means that the needs of most low income purchasers and renters will not be met through the market, even under more optimistic scenarios.

This has strategic implications, including with regard to the current planning and development controls and zoning, the nature and location of future supply, and the nature of market intervention that is likely to be effective, as outlined below and in more detail in **Section 7**.

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1.5.4 Who are the Target Groups?

Very low, low and moderate income households in the local context, are made up largely of working households including lower income 'key' or essential service workers, as well as those on pensions and benefits, such as the Aged or Disability Pension, Parenting Payment and JobSeeker Allowance.

Some examples of **very low income key worker households** include a lone person working part-time as an aged care worker on $700; or a couple with a young child, with one working a typical 30 hour week as an Assistant in Nursing (AIN). These households would need to pay less than $210 for their housing, and could not afford to rent even a one bedroom unit in the LGA.

Examples of **low income key workers** include a full time process worker earning $835 per week; a person earning $865 as a cleaner; or a couple with two small children, with one working full time as a more experienced AIN on $941 per week. These households would need to pay between $250 and $295 per week for their housing to be affordable, and would also be unable rent even a one bedroom unit in the LGA.

Moderate income key worker households include a lone person working full-time as an ambulance officer, entry level teacher or registered nurse earning around $1,115 per week; or a couple with one person working part-time as a cleaner and the other as an Enrolled Nurse, on a combined income of around $1,660 per week. None of these moderate income households could afford to rent a separate house in the LGA. At the lower end of the income range, they could afford to rent a one bedroom apartment, and could afford a two bedroom apartment at the upper end of the income range.

Some examples of very low income households that are dependent on **Centrelink payments** include a single aged pensioner with no superannuation on a pension of $494 per week including relevant supplements, who could afford to pay $220 in rent including Commonwealth Rental Assistance;[3] and a single person on JobSeeker Allowance, who would have an income of $321 per week, and could afford to pay $169 in rent including Commonwealth Rental Assistance. These households could not afford to rent anything in the LGA, even a one bedroom or studio apartment, even if such stock were available.

1.6 Strategic Implications

1.6.1 Overview of Mechanisms and Strategies

There are a wide range of strategies available to Council to promote affordable housing in the Queanbeyan-Palerang LGA. These strategies range from light planning intervention in the market to strong intervention or direct provision of affordable housing, as shown in Figure 1.1 below.

A detailed assessment of the main mechanisms and strategies that would be effective in the local context is provided in **Section 5** below. A summary of the main strategies most likely to be effective in the local context is provided below, with strategies in order of timing and priority.

[3] Around $50 per week for eligible households.

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A **Case Study Booklet** has also been prepared by JSA which showcases a number of ways in which local government has engaged with affordable housing issues in their local communities (provided as **Attachment A**).

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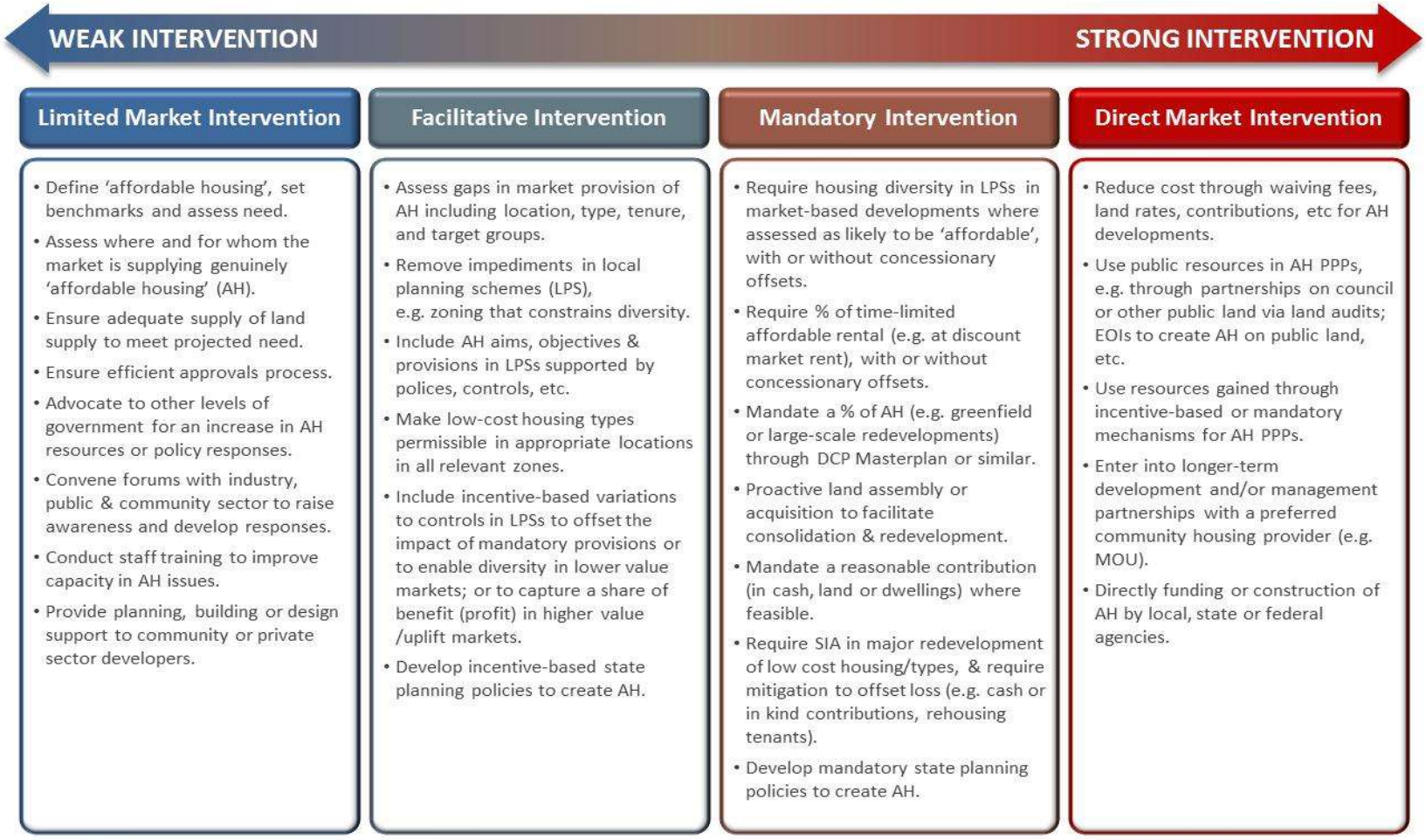


Figure 1.1: Mechanisms and Strategies to Create Affordable Housing along a Continuum of Planning Intervention

1.6.2 Potential Mechanisms and Strategies

Crisis, short-term, temporary & transitional accommodation

Overview

A 'perfect storm' of housing, funding and economic factors has resulted in an affordable housing crisis in QP LGA, and increasing homelessness amongst even those who would once have been able to access private rental, including lower income working people and moderate income families, and intensifying impacts for more vulnerable people.

As well as the serious undersupply and loss of social housing, the severe shortage of dedicated crisis, short-term and transitional accommodation for the increasing number and types of people at risk of homelessness is affecting those most vulnerable in the housing market, including older single people, sole parent families, those leaving family violence, and people with a disability; and is leading to increased homelessness. Single men are a particularly difficult cohort to accommodate, and homelessness is also increasing significantly among new cohorts, including older women with limited capital, and lower income workers and families.

This is exacerbated by 'exit blocks' from crisis and short-term housing due to the severely inadequate supply of social and private rental, and the loss of accommodation formerly used as temporary accommodation such as motels and caravan parks due to increased demand from workers and domestic tourists.

There is also a need to develop short-term strategies to house the growing number of people described by services as living in unsuitable, overcrowded and unsafe conditions, staying temporarily with others, couch-surfing, sleeping in cars, old caravans or sheds, or sleeping rough, as a matter of urgency.

Potential Mechanisms and Strategies

Strategy 1: It is recommended that Council advocate for and actively support the provision of crisis, short-term, temporary & transitional accommodation for the growing number of homeless people in the LGA, including:

a. 'Meantime use' of vacant or underutilised Council, public, community and private buildings and regulatory support and flexibility for their use as crisis and short-term accommodation;

b. Pop-up models of crisis accommodation, such as a 'Winter Sleep-In' Pilot in Council or Church Halls;

c. Identify Council or other publicly owned land in close proximity to the town centre suited to older people with some support needs, to be used for accommodation based on the Abbeyfield model or tiny home/MHE model of self-contained independent living units with some common areas and facilities to foster community and social support;

d. Identify Council and other publicly owned land for projects developed by local services and networks that are likely to receive funding;

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e. Placement of at least small MHs or tiny homes on vacant public or private (philanthropic) land on land where caravan parks are permissible;

f. Planning and resourcing support for not for profits and community housing providers seeking to engage in these activities, including ensuring that there is no delay in the approvals process, and waiving DA fees and the like;

g. Reviewing Council's internal referrals/protocols between the planning and community services teams to explore how to improve efficiency and reduce costs associated with the DA process for services/community organisations with affordable and alternative housing development projects could be achieved;

h. Reducing on-going costs for affordable housing developments and alternative accommodation through rates reductions, or other financial support;

i. Seeking funding for upgrades and conversions of buildings where relevant;

j. Developing a community awareness campaign on homelessness, including the increasing risk to a wide range of cohorts;

k. Promoting the return of properties used for Short Term Rental Association to the long-term private rental market, and for headlease by social housing providers (including promoting the benefits of such arrangements);

l. Facilitating a pilot brokerage scheme in partnership with a local Nor for Profit or Community Housing Provider that matches owner occupiers in large underoccupied homes with people who are at risk of homelessness, including young/single key workers, older women, etc, including:

- Screening and matching of prospective shared housing participants;
- Development of appropriate rents, cost sharing agreements, and other administrative arrangements; and
- Provision for support, conflict resolution, etc as required.

Strategy 2: On the basis of evidence in this Background Report, **it is recommended that Council** urgently advocate with the NSW Land and Housing Corporation (LAHC) for the following:

a. A commitment to at least maintain existing amounts of social housing in the LGA;

b. A commitment to a publicly available strategic asset management plan that provides for appropriate maintenance and repair of existing stock, including an accelerated repairs and maintenance program by the NSW Land and Housing Corporation and local CHPs;

c. A strategic approach to selective redevelopment of existing stock to better meet current and projected need as part of this publicly available strategic asset management plan;

d. The funding of at least 500 new social housing dwellings by 2041, and at least 170 places as crisis, short-term, transitional and/or supported accommodation for the growing cohort of people at risk of long-term homelessness, as a matter of urgency.

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Direct Creation of Affordable (Including Social) Housing

Rationale

Most current and future affordable housing need (around 85%) is unlikely to be met through the market in the local context, with the greatest need for affordable rental accommodation for very low income renters (including key workers, retired people with limited capital and people on pensions and benefits), who require deep subsidies for their housing to be affordable.

The main way that most very low income and many low income renting households can be affordably accommodated is through the direct creation of affordable rental housing through government funding; the use of Council and other public or community owned land in affordable housing developments and partnerships; and the more efficient use of existing social housing including selective redevelopment of older houses on large lots to provide increased diversity and address underoccupancy and long waiting times for smaller dwellings.

The development of affordable housing partnerships on Council- and other publicly-owned land is discussed in detail in **Section 7.5.3 below** and in **Appendix B**. In consultation with Council, JSA has identified 12 potential partnership sites, some of which would require amended controls and/or a planning proposal to change the zoning. We have conducted preliminary modelling on a number of potential development scenarios including for the development of Residential flat buildings and Boarding houses on car park sites zoned B3 in Queanbeyan town centre (including replacement of car parking); a caravan park development under various tenure scenarios of RE2 zoned land in Bungendore, Braidwood and Queanbeyan; and a development on SP1 zoned land in Braidwood that could be developed as affordable seniors housing, affordable rental housing and/or social housing (or a combination of these), and noting that affordable seniors housing would not require a planning proposal as it is permissible with consent in the Housing SEPP.

Preliminary modelling indicates that a range of scenarios are likely to be economically viable, and warrant further investigation. It is also noted that this generic modelling could also apply to other relevant sites in these localities.

There are also significant opportunities for the development of public housing where this is older, separate dwellings on large lots in areas around Queanbeyan and Karabar to provide a mix of smaller strata dwellings, more efficient land use and increased yield/supply. This could be provided as multi tenure development, but it is important that there is a **net gain of social housing in the process**, and no loss of stock. Importantly, data from common social housing waiting list indicates that more than 60% of the 438 households on the waiting list require one bedroom dwellings and a further 30% require two bedroom dwellings (at least 90% therefore needing smaller strata dwellings).

Potential Mechanisms and Strategies

Strategy 3: It is recommended that Council consider:

a. In principle, allocation of at least five Council-owned sites in Queanbeyan, Bungendore and Braidwood for the development of affordable housing in partnership with a registered

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Community Housing Provider and/or not for profit housing provider, and undertake more detailed modelling, opportunities to amend controls, and preferred partner arrangements, etc;

b. Seeking to secure the dedication of at least three sites owned by other public authorities, and undertake required modelling, analysis and negotiations on dedication and partnering arrangements, etc;

Strategy 4. It is recommended that Council seek to ensure that there is an increase in appropriate social housing dwellings to meet existing and projected needs, and to ensure the long-term viability of such housing stock, including through:

a. Exploring opportunities with NSW Land and Housing Corporation and local Community Housing Providers/Not for Profits for the selective redevelopment of older concentrations of social housing in Queanbeyan and surrounds, including for smaller, more diverse housing types and multi-tenure development including social, affordable, shared equity and affordable purchase to meet changing needs;

b. Ensuring that there is not net loss of social housing dwellings as a result of any regeneration activities;

c. Advocating to State Government on behalf of local Community Housing Providers (CHPs) for a transfer of title and/or long-term (50-year lease) on existing public housing on contiguous sites in appropriate areas to facilitate the redevelopment of selected stock through increased economic viability for CHPs;

d. Reviewing zoning and controls in precincts targeted for estate regeneration or selective redevelopment to support density.

Facilitative Strategies to Increase Supply of Affordable Rental Housing

Rationale

Given the likelihood that around 60% of affordable housing need will be from smaller (lone person and couple) households by 2041, and that there is a very high need for affordable studio, one and two bedroom strata dwellings in the context of a seriously constrained supply of such dwellings, there is significant benefit in actively **increasing the supply of smaller studio, one and two bedroom apartments near major centres of Queanbeyan (including Googong and Jerrabomberra), Bungendore and Braidwood** as well as developing a supply of well-located **New Generation Boarding Houses and Co-living Housing** through the Housing SEPP.

It is also noted that 73% of apartments and 50% of Multi dwelling housing is likely to enter the private rental market in the local context, so that there would be benefit in increasing supply of this lower cost (if not always 'affordable') form of rental housing through the market. This increased diversity is also likely to have other flow-ons, including freeing up larger dwellings and older stock, and reduced pressure on rental stock.

Our regression analysis also indicates that there are likely to be affordability benefits from increasing the supply of small lot housing, and Multi dwelling housing in current and future release areas, noting that developers interviewed for the Background Paper report a high demand for this form of development in release areas as well as infill areas.

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It is therefore important that there are no impediments to the delivery of such accommodation through local planning instruments, with implications for zoning and planning controls, particularly in certain locations and/or precincts. This is so that there can be an increase in the delivery of more affordable and lower cost housing products through the market, focusing on the major centres of **Queanbeyan (including Googong and Jerrabomberra), Bungendore and Braidwood**.

Section 7.3 below investigates planning and economic constraints to the development of Residential flat buildings including Build to Rent, Multi dwelling housing and New Generation Boarding Houses/Co Living Housing within and around the three major urban centres of Queanbeyan, Bungendore and Braidwood within B2, B3, B4, R1, R3 and R4 zones within and around these urban centres (see Appendix C for detailed analysis).

The preliminary assessment identifies a number of areas where planning controls act as a constraint to development. In summary, impediments to affordable and diverse housing in the LEP and/or relevant Development Control Plans include those related to parking requirements above actual ownership rates; requirements for ground floor commercial in Shop top housing in B3 and B2 zones, and extensive use of B3 zoning that precludes RFBs in Queanbeyan, and also restricts the operations of the Housing SEPP; height constraints in the R4 zone; ground floor open space requirements in RFBs; site area per dwelling constraints in Multi dwelling housing and minimum lot size in the former Palerang areas.

It would therefore be beneficial that the LEP and DCP be amended to ensure that there are no unintended impediments to the development of affordable and lower cost housing types, and that these housing types are actively facilitated, particularly in well-located areas of Queanbeyan (including Googong and Jerrabomberra), Bungendore and Braidwood, and on infill sites and to current and future Greenfield areas.

These impediments could be further investigated by Council, such as by commissioning preliminary architectural design and quantity surveyor costings for some case study sites in Queanbeyan, and using this to better understand the impacts of variations to controls.

Potential Mechanisms and Strategies

Strategy 5. It is recommended that Council consider amendments to planning controls set out in detail in **Sections 7.3.2 and 7.3.3. below** and **Appendix C**, including:

a. Amending parking controls to reflect actual owner rates for vehicles, with a further discount for well-located areas within B3 and B4 zones to facilitate RFBs and for smaller houses and Multi dwelling housing to facilitate this form of development in redevelopment, infill and new release areas (see Table 7.3 and 7.4 below);
b. Amending controls to allow non-commercial uses such as parking at the ground floor of Shop top housing developments combined with a requirement for an active street frontage, noting the increasing non-viability of commercial development in B2 and B3 zones, and the high cost of underground parking that is affecting the viability of the apartment component of mixed use development;

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c. Providing additional FSR in the Queanbeyan B3 zone in return for the development of Boarding Houses and Co-living Housing, and studio and one bedroom apartments, secured through a section 7.4 Planning Agreement and/or conditions of consent;
d. Removing all DCP controls related to apartment development that are above the Apartment Design Guide requirements, including related to minimum dwelling size (e.g. minimum of 50m^2 that precludes studio apartments), and minimum balcony size, and private outdoor space for ground level apartments, noting that these (combined with excessive parking requirements and low returns on commercial uses) are likely preventing development of apartments in Queanbeyan;
e. Allowing RFBs and parking with consent in the B3 zone where it can be demonstrated that the ground floor is not used for habitable purposes, an active street frontage (or a street frontage adaptable to commercial uses) is maintained, and that flood risk can be subsequently accommodated;
f. Rezoning some B3 zoned areas in Queanbeyan to B4 to allow for the construction of RFBs, and to open up opportunities provided by the Housing SEPP (for example, opportunities for affordable rental and lower cost housing types in areas close to B2 and B4 zoning) including allowing construction of parking on lower floors in response to flood planning levels in Queanbeyan;
g. Allowing height of at least 14 metres within B4 and R4 zones, noting that currently height controls further constrain the development of RFBs, and that development of two storeys is unlikely to be economically viable.
h. Removing DCP controls on RFBs related to setbacks, minimum site area per dwelling, etc and rely instead upon the provisions of the Apartment Design Guide to control density;
i. Remove minimum lot area per dwelling controls for Multi dwelling housing in Bungendore and Braidwood, and instead rely upon footprint and setback controls, or an FSR of 0.5, to increase viability of this form of development and provide greater incentives for smaller dwellings;
j. Providing opportunities for smaller dwellings on smaller lots through measures such as substantially reducing minimum lot size in new release areas, particularly in Braidwood and Bungendore; zoning Greenfield sites as R1 rather than R2 to allow Multi dwelling housing; and/or making Multi dwelling housing permissible within R2 zones, subject to minimum site frontage.

Strategy 6. It is recommended that Council consider mechanisms that facilitate the more effective operation of the Housing SEPP set out in **Section 7.3.3 below** in the LGA, including:

a. Introduction of FSR controls in residential areas within 400 metres of B1, B2 and B4 zones to facilitate infill affordable housing;
b. Rezoning areas on the periphery of B3 zones to B4 to maximise opportunities for Boarding House development in R2 zones within 400 metres of B4, which would otherwise be prohibited;
c. Facilitating information sessions with developers and social housing providers to promote opportunities provided by the Housing SEPP, including in relation to Build to Rent opportunities in B3 and B4 zones, and Residential flat building in B3 zone, with concessions related to specified requirements.

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Strategy 7. It is recommended that Council consider the development of a Planning Agreement Policy to ensure that:

a. Agreements made with regard to any mechanisms that involve concessions or relaxation of controls are transparent and guaranteed;
b. That an appropriate share of benefit is captured from any rezoning or upzoning that is assessed as resulting in sufficient land value uplift, with contribution in the form of dwellings, land or cash used in perpetuity by Council as affordable rental housing, and noting that this may provide an alternative value capture mechanism in the absence of an approved Affordable Housing Contributions Scheme (see below).

Mandatory Intervention

Rationale

Two forms of mandatory mechanisms are considered.

The first relates to opportunities to develop an Affordable Housing Contributions Scheme under section 7.32 of the Act, which now covers all of the State, and allows mandatory contributions toward affordable housing to be levied where contributions do not affect the viability of development, and a need for affordable housing in accordance with DPE Guidelines can be demonstrated.

JSA has undertaken preliminary economic modelling using the DPE Viability Tool to model potential uplift in indicative redevelopment sites, and has applied the same methodology to understand the likely uplift from rezoning of rural to residential land.

The modelling at **Section 7.4.3 below** indicates that substantial land value uplift from rezoning of rural to residential land in areas around Googong, South Jerrabomberra and Bungendore is likely. An affordable housing contribution of 15% of developable land area, or the equivalent in cash or dwellings, would not be unreasonable on the preliminary analysis, and it would be worth developing an Affordable Housing Contributions Scheme **in advance of any rezonings**.

However, our modelling indicates that it is unlikely that an affordable housing contribution would be viable for upzoning (for example, from R2 to R3 or R4) in existing urban areas, even with amendments to controls proposed earlier, as these amendments are likely to be required just to facilitate development without the additional impost of an affordable housing contribution.

The second mandatory mechanism considered is mandating smaller strata dwellings as part of RFBs and Shop top housing, particularly studio, one and two bedroom apartments to facilitate the development of lower cost housing and increase the supply of private rental. It is likely that this would not be an impost on development, particularly if amendments to controls that currently provide the main impediments to such development are amended, as recommended above.

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Potential Mechanisms and Strategies

Strategy 8: It is recommended that Council:

a. Conduct more detailed economic modelling to determine the viability of an Affordable Housing Contributions Scheme in relation to specific precincts prior to rezoning from rural to residential, and noting JSA's preliminary findings in relation to need and viability;
b. Develop an Affordable Housing Contributions Scheme in relation to those precincts where such a contribution is likely to be viable to generate resources for affordable rental housing in perpetuity.

Strategy 9: It is recommended that Council consider the following:

a. In existing areas, as well as amending the DCP to ensure that there are no impediments to studio apartments:
    - Mandate a proportion of studio apartments of no more than 40 m^2, and of one bedroom dwellings with a maximum floor area of 55 m^2 in Multi dwelling housing developments, Shop top housing developments and Residential flat developments in areas within 400 metres of major town centres (for example, one dwelling in five or 20% of dwellings);
    - Mandate a proportion of two bedroom, one bathroom dwellings with a maximum floor area of 75 m^2 in Multi dwelling housing developments and Residential flat developments in areas within 400 metres of major town centres (for example, two in five or 40% of dwellings).
b. In Greenfield sites, **adopt a masterplan approach to Greenfield developments** and include the following types of requirements:
    - A proportion of lots to be allocated to Multi dwelling housing (for example, 10% of lots by area), with mandatory provisions for smaller one and two bedroom dwellings (i.e. with one bathroom and a maximum floor area of 55 m^2 and 75 m^2 respectively.
    - A proportion of houses on small lots (for example, 20%).

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2 Socio-Economic Context

2.1 Introduction

This chapter provides an analysis of selected demographic and housing data for the Queanbeyan-Palerang Region Council area compared with the relevant benchmark areas of Rest of NSW (NSW excluding Greater Sydney), NSW and ACT.

A finer geographic analysis is also provided for selected indicators. These areas are generally those most relevant to the housing market and affordability analysis and forthcoming *Strategy*, noting the geographies selected also enable a comparison of data from the first release of the ABS (2021) Census with earlier Census data to provide an understanding of change over time.

The areas for finer analysis are Queanbeyan SA2, Queanbeyan East SA2, Queanbeyan West-Jerrabomberra SA2, Karabar SA2, Googong SA2, Bungendore State Suburb and Braidwood State Suburb. Post code data is also used for analysis where data is not available at these geographic scales, for example, published rent and sales data by NSW DCJ. Population projections are analysed at 'forecast areas' by .id Consulting, so these areas are also relevant for the analysis. Maps for these various geographies are shown in **Appendix E.**

2.2 Population Trends

2.2.1 Population Overview

At the time of the 2021 Census, the total population of the Queanbeyan-Palerang LGA was 63,304 people, an increase of 10,964 people from 2011, or 21% total growth. This was an average increase of 2.1% per annum for the LGA compared with 1.3% for Rest of NSW, 1.7% for NSW and 2.7% for the ACT. In 2022, .id Consulting have estimated the resident population for the LGA at 64,048 people.

The following table provides the total population for the areas used for finer analysis (Usual Resident Population (URP)) at the time of the 2021 Census.

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Table 2-1: Total Population for Selected Areas

Area	Total Population 2021 (No.)
QPR LGA	63,304
Queanbeyan SA2	11,342
Queanbeyan East SA2	5,085
Queanbeyan West-Jerrabomberra SA2	12,744
Googong SA2	6,224
Karabar SA2	8,517
Bungendore SS	4,745
Braidwood SS	1,720

Source: JSA 2021, based on data from ABS 2016 Population and Housing Census

2.3 Socio-Economic Indexes for Areas (SEIFA) 2016

The ABS (2016) Socio-economic Indexes for Areas (SEIFA Indexes) provide an aggregate measure of community disadvantage or wellbeing, based on a weighted index of a range of relevant socio-economic indicators. SEIFA Index of Relative Socio-economic Disadvantage (SEIFA Disadvantage) brings together broad indicators such as low income, education, employment status, disability, etc that have been found to be related to overall disadvantage or community vulnerability, while SEIFA Education and Occupation and SEIFA Economic Resources focuses on indicators specifically related to these domains of community well-being or vulnerability.

Queanbeyan LGA is in the least disadvantaged 14% of areas for NSW (86th percentile). However, there are considerable differences between the small areas analysed with regard to SEIFA Disadvantage, with Queanbeyan and Karabar SA2s in the most disadvantaged 47% and 50% of areas for NSW, and Bungendore State Suburb and Queanbeyan West-Jerrabomberra in the *least* disadvantaged 6% and 8% of areas for NSW.

There are quite similar differentials in the SEIFA Index of Education and Occupation, but more stark differences with regard to SEIFA Economic Resource, with the SA2 of Queanbeyan and Queanbeyan East SA2 in the most disadvantaged 20% and 35% of areas for Australia, likely related to the higher rate of smaller flats and units and relatively high rate of private rental.

This is shown in more detail in the table below. There are also pockets of more severe disadvantage at SA1 scale, with these generally associated with higher rates of social housing and older lower cost private rental.

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Table 2-2Socio-Economic Indexes for Areas (SEIFA) 2016 (Percentile)

	IRSD (Disadvantage) (percentile)	Education and Occupation (percentile)	Economic Resources (percentile)
QPRC LGA	86	81	91
Queanbeyan SA2	47	56	20
Queanbeyan East SA2	61	64	35
Queanbeyan West-Jerrabomberra SA2	92	81	92
Karabar SA2	50	44	54
Googong SA2[4]	n/a	n/a	n/a
Bungendore State Suburb	94	84	98
Braidwood State Suburb	63	67	67

Source: JSA 2022, based on data from ABS 2016 Census

2.4 Age Profile

The median age for the LGA in 2021 was 38 years, which was unchanged from the 2016 Census.

This was slightly younger than for NSW, and considerably younger than for regional areas of NSW on average which continues a longer term trend to an aging population, but older than the ACT, as shown below.

[4] Data was note reported for this area for the 2016 Census

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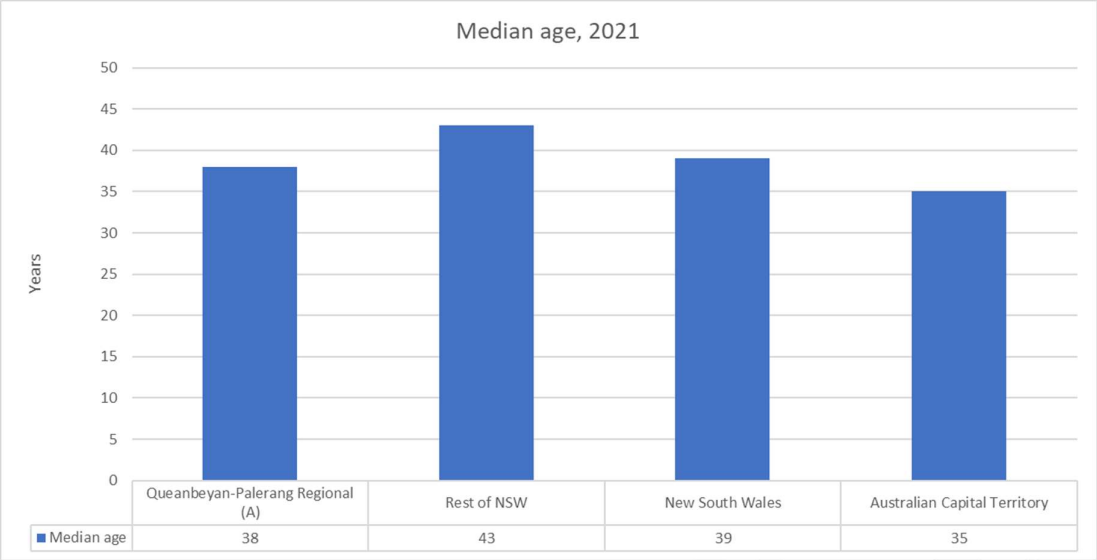


Figure 2.1: Median age, 2021

Source: JSA 2022; ABS 2021 Census of Population and Housing, General Community Profiles.

As shown in the following graph, the median age was much older than average in Braidwood, and much younger than average in Googong, which would be expected from an urban release area.

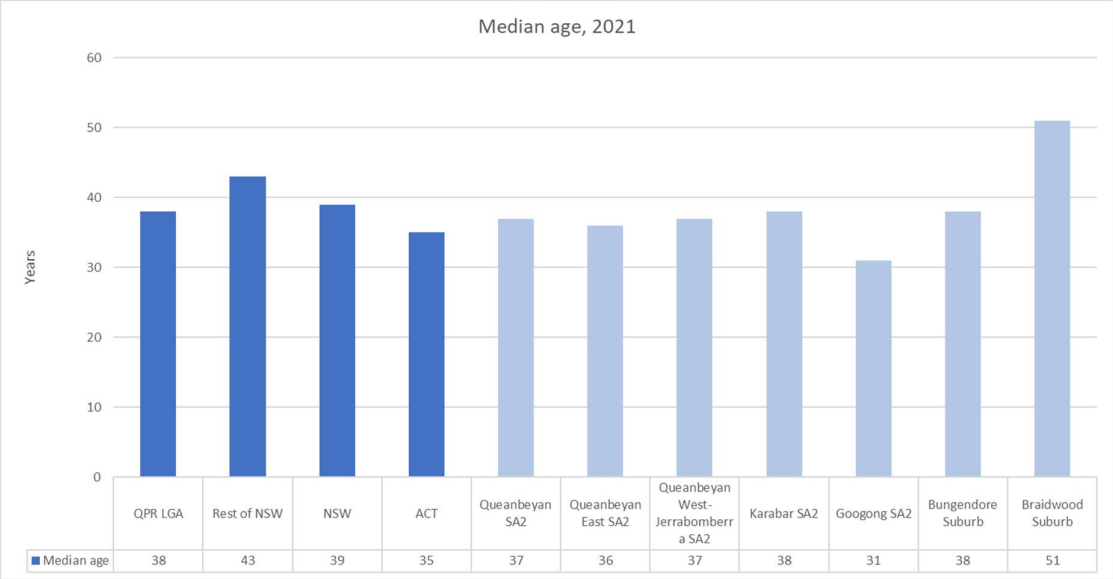
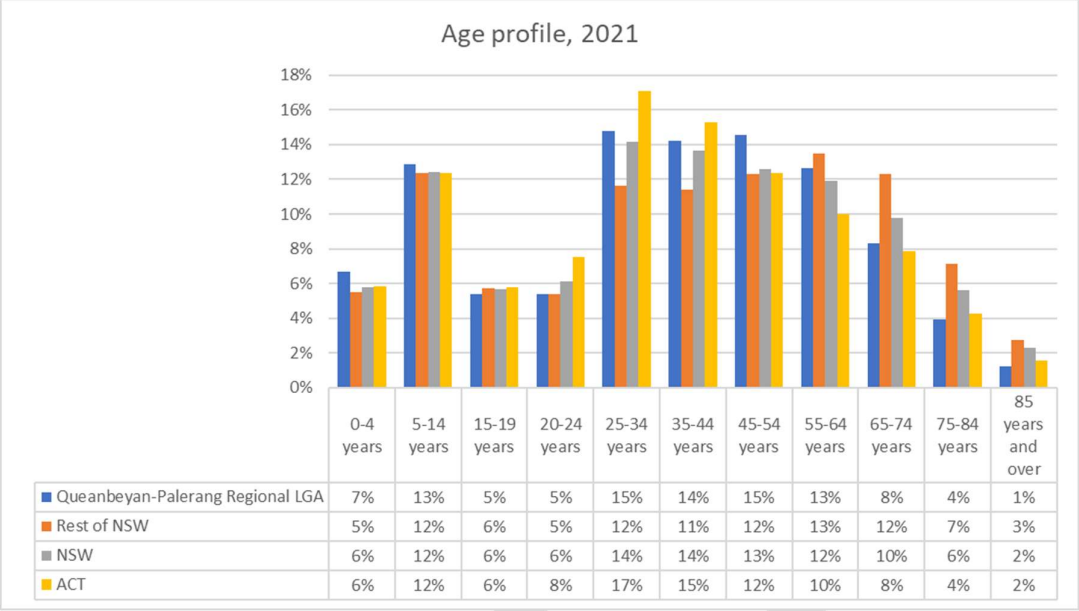


Figure 2.2: Median age including small areas, 2021

Source: JSA 2022; ABS 2021 Census of Population and Housing, Quick Stats.

In terms of the age profile, compared with the State average, the LGA had a slightly higher than average proportion of children aged 0-14 years, a slightly lower proportion of young people aged 15-24, a higher proportion of young and middle aged adults aged 25-64 years, and lower proportion of older people aged 65+ years.

It is quite different to regional NSW, which had a much older than average age profile; and to the ACT, whose profile showed a much higher rate of younger adults, largely related to education and employment opportunities, as shown below.



	0-4 years	5-14 years	15-19 years	20-24 years	25-34 years	35-44 years	45-54 years	55-64 years	65-74 years	75-84 years	85 years and over
Queanbeyan-Palerang Regional LGA	7%	13%	5%	5%	15%	14%	15%	13%	8%	4%	1%
Rest of NSW	5%	12%	6%	5%	12%	11%	12%	13%	12%	7%	3%
NSW	6%	12%	6%	6%	14%	14%	13%	12%	10%	6%	2%
ACT	6%	12%	6%	8%	17%	15%	12%	10%	8%	4%	2%

Figure 2.3: Age profile 2021

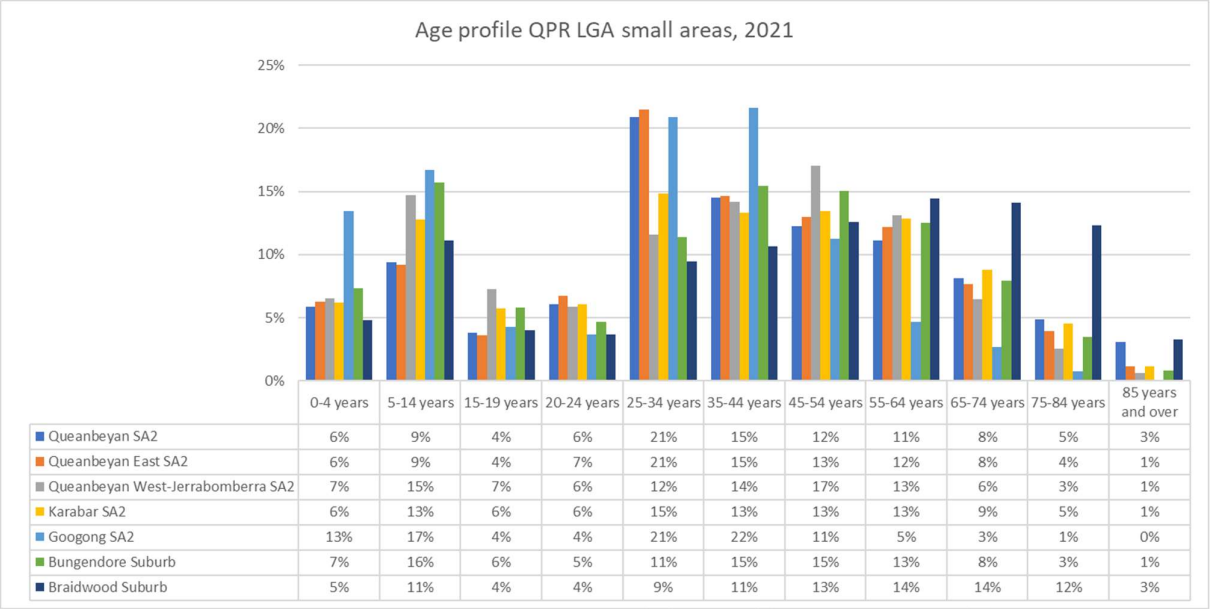
Source: JSA 2022; ABS 2021 Census of Population and Housing, General Community Profiles.

As would be expected, Googong had a much higher than average rate of children aged 0-14 years, whilst Karabar and Queanbeyan West-Jerrabomberra also had a higher than average rate of children aged 5-14 years. Queanbeyan, Queanbeyan East and Googong had a much higher than average rate of young adults aged 25-34 years. Googong also had a much higher proportion of people aged 35-44 years, and a much lower rate of those aged 55-64 years.

As would be expected from the median age described above, the oldest age groups are over-represented in Braidwood, and more strongly underrepresented in Googong and Queanbeyan West-Jerrabomberra SA2s.

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	0-4 years	5-14 years	15-19 years	20-24 years	25-34 years	35-44 years	45-54 years	55-64 years	65-74 years	75-84 years	85 years and over
Queanbeyan SA2	6%	9%	4%	6%	21%	15%	12%	11%	8%	5%	3%
Queanbeyan East SA2	6%	9%	4%	7%	21%	15%	13%	12%	8%	4%	1%
Queanbeyan West-Jerrabomberra SA2	7%	15%	7%	6%	12%	14%	17%	13%	6%	3%	1%
Karabar SA2	6%	13%	6%	6%	15%	13%	13%	13%	9%	5%	1%
Googong SA2	13%	17%	4%	4%	21%	22%	11%	5%	3%	1%	0%
Bungendore Suburb	7%	16%	6%	5%	11%	15%	15%	13%	8%	3%	1%
Braidwood Suburb	5%	11%	4%	4%	9%	11%	13%	14%	14%	12%	3%

Figure 2.4: Age profile Queanbeyan-Palerang LGA small areas, 2021

Source: JSA 2022; ABS 2021 Census of Population and Housing, General Community Profiles.

2.5 Income Profile

Median weekly household income for the LGA at the time of the 2021 Census was substantially higher than NSW ($2,295 compared with $1,829 for NSW), but slightly lower than for ACT ($2,373), as shown in the graph below.

Median personal income in the LGA was also much higher than average ($1,159 compared with $813 for NSW), and slightly lower than for the ACT ($1,203).



	Queanbeyan-Palerang Regional (A)	Rest of NSW	New South Wales	Australian Capital Territory
Median weekly household income	$2,295	$1,434	$1,829	$2,373

Figure 2.5: Median weekly household income, 2021

Source: JSA 2022; ABS 2021 Census of Population and Housing, Quick Stats.

In terms of small areas, median household income was lowest in Braidwood, likely related to the older age profile and higher rate of retirees, as well as in Queanbeyan and Queanbeyan East SA2s, likely related to the higher proportion of younger renters and lone person households and nature of employment; and much higher than average in Googong, Queanbeyan West-Jerrabomberra and Bungendore, likely related to employment sector and life stage.



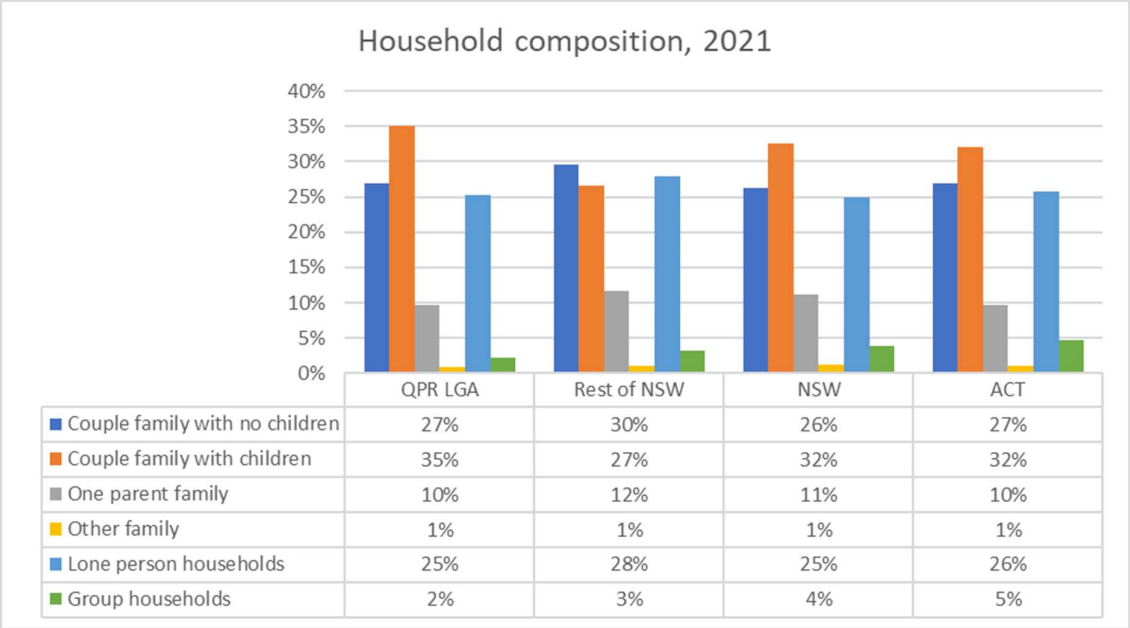
Figure 2.6: Median weekly household income including small areas, 2021

Source: JSA 2022; ABS 2021 Census of Population and Housing, Quick Stats.

2.6 Household Composition

Queanbeyan-Palerang LGA had a quite similar household profile to NSW, although with a slightly higher proportion of couple with children families, and slightly lower proportion of couple only and group households, as shown below.

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	QPR LGA	Rest of NSW	NSW	ACT
Couple family with no children	27%	30%	26%	27%
Couple family with children	35%	27%	32%	32%
One parent family	10%	12%	11%	10%
Other family	1%	1%	1%	1%
Lone person households	25%	28%	25%	26%
Group households	2%	3%	4%	5%

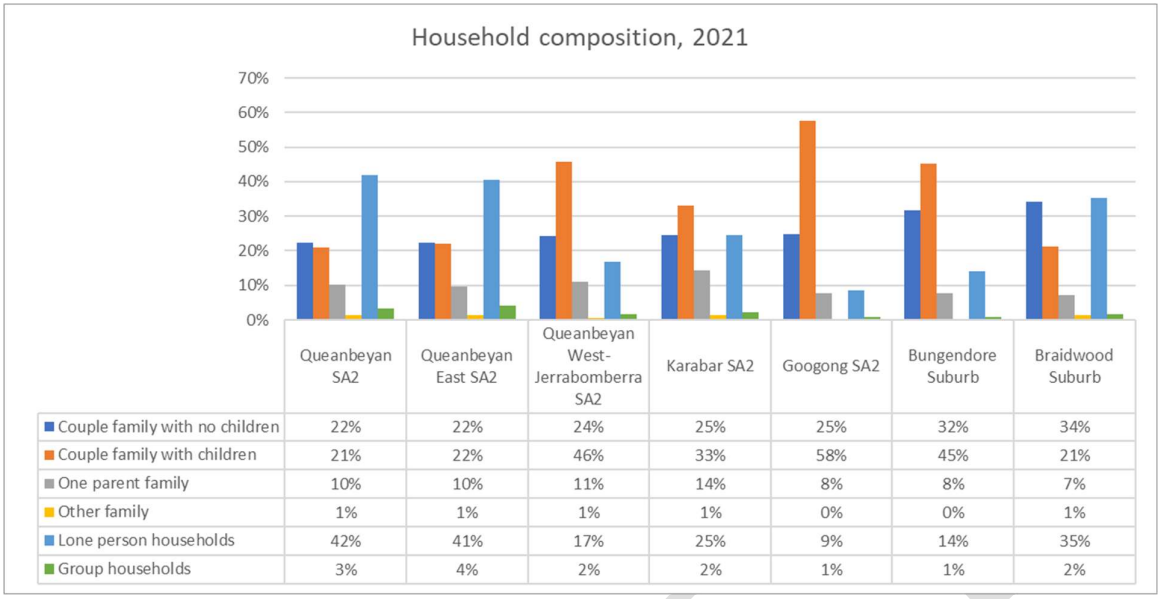
Figure 2.7: Household composition QPR LGA compared with Rest of NSW, NSW and ACT

Source: JSA 2022 derived from ABS 2021

The proportion of couple with children families was particularly high for Googong, Queanbeyan West-Jerrabomberra and Bungendore; while there was a much higher than average rate of lone person households in Queanbeyan and Queanbeyan East SA2s and Braidwood State Suburb, with the latter likely related to the much older age profile of Braidwood, and to the higher proportion of younger adults in the two SA2s.

There is also a much higher than average rate of couples with no children in Bungendore and Braidwood, with the former more likely related to younger and middle aged couples, and the latter to 'empty nesters', as shown below.

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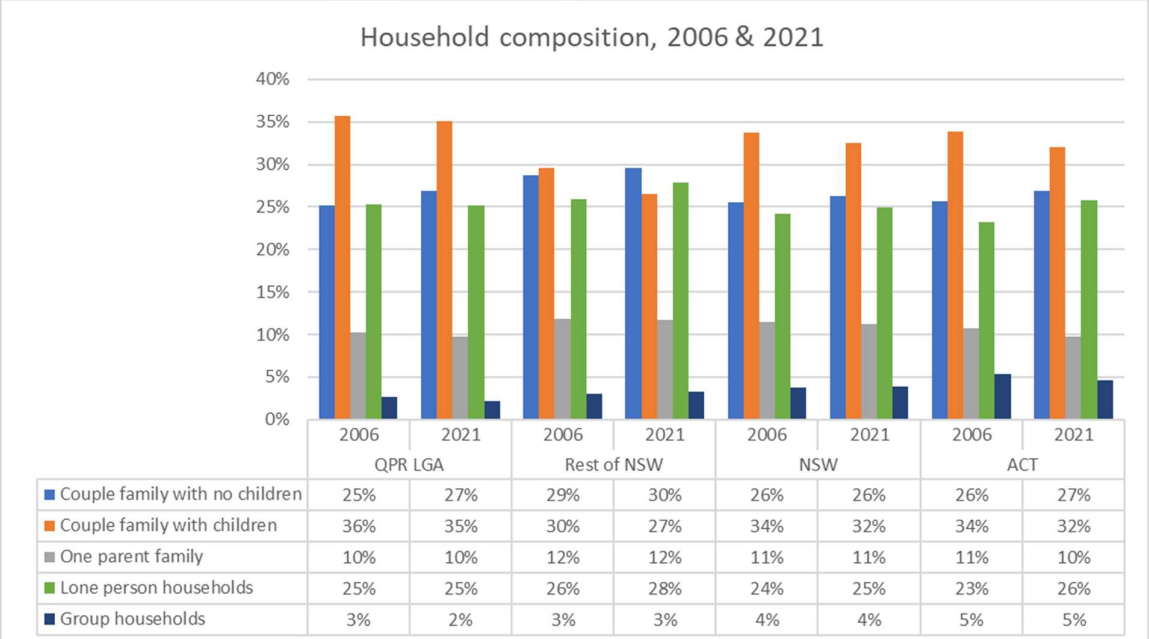
	Queanbeyan SA2	Queanbeyan East SA2	Queanbeyan West-Jerrabomberra SA2	Karabar SA2	Googong SA2	Bungendore Suburb	Braidwood Suburb
Couple family with no children	22%	22%	24%	25%	25%	32%	34%
Couple family with children	21%	22%	46%	33%	58%	45%	21%
One parent family	10%	10%	11%	14%	8%	8%	7%
Other family	1%	1%	1%	1%	0%	0%	1%
Lone person households	42%	41%	17%	25%	9%	14%	35%
Group households	3%	4%	2%	2%	1%	1%	2%

Figure 2.8: Household composition for small areas within QPR LGA

Source: JSA 2022 derived from ABS 2021

In terms of change over time, there has been an increase in couple only households as a proportion of all households in the LGA, and a small decrease in the proportion of all other household types.

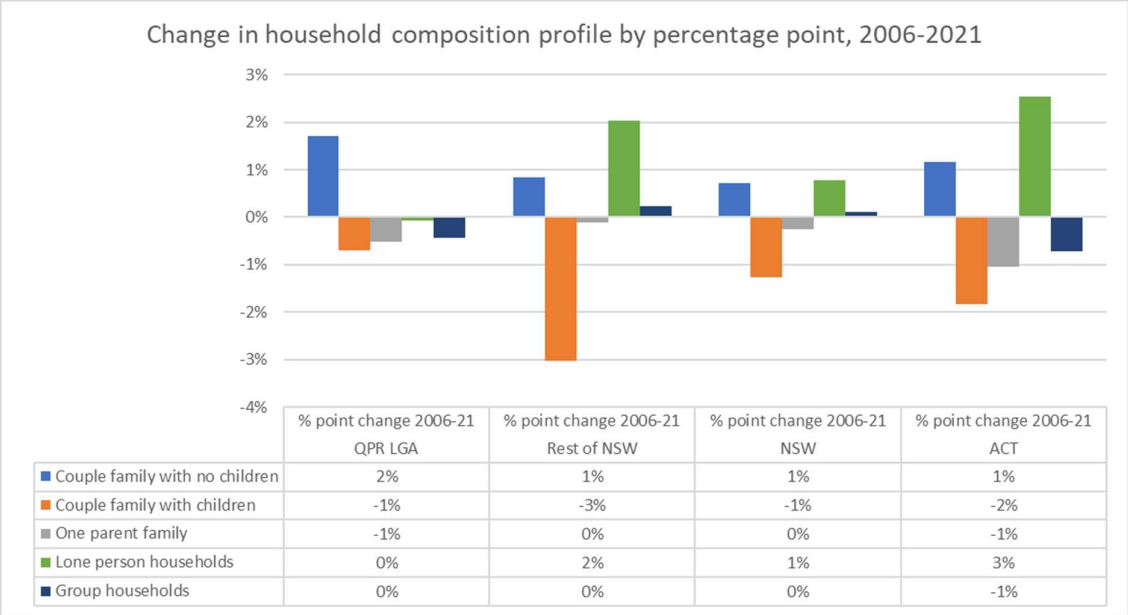
This is somewhat different to benchmark areas, which all experienced an increase in lone person households as a proportion of all household types, as shown in the two graphs that follow.



	2006	2021	2006	2021	2006	2021	2006	2021
	QPR LGA		Rest of NSW		NSW		ACT	
Couple family with no children	25%	27%	29%	30%	26%	26%	26%	27%
Couple family with children	36%	35%	30%	27%	34%	32%	34%	32%
One parent family	10%	10%	12%	12%	11%	11%	11%	10%
Lone person households	25%	25%	26%	28%	24%	25%	23%	26%
Group households	3%	2%	3%	3%	4%	4%	5%	5%

Figure 2.9: Household Composition (%) Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT (2006-21)

Source: JSA 2022 derived from ABS 2021 and ABS 2016



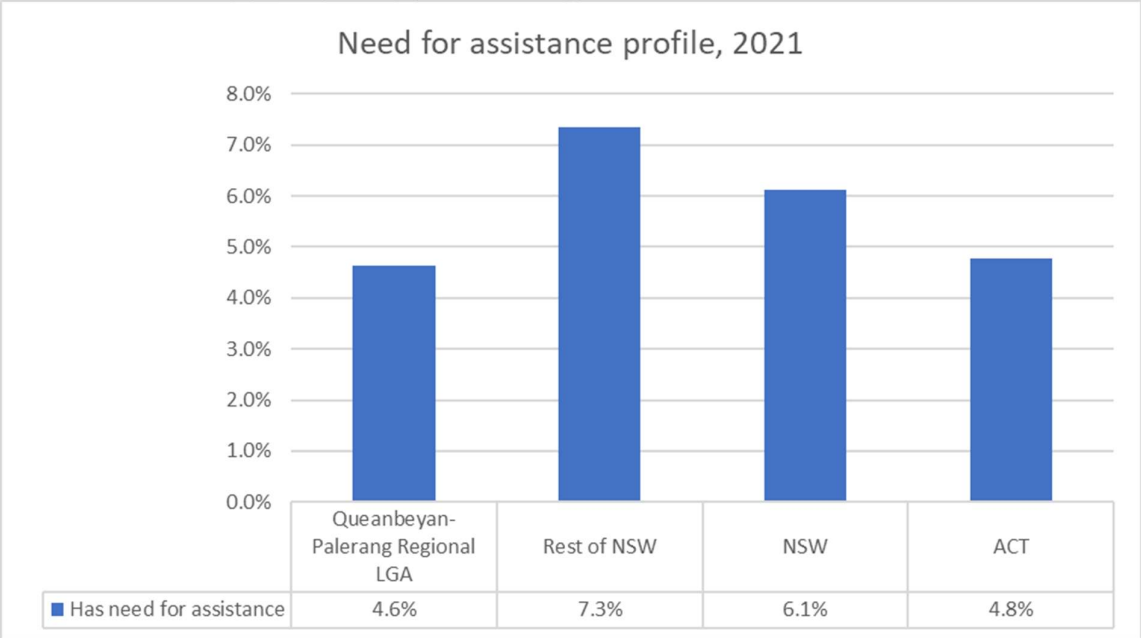
	% point change 2006-21 QPR LGA	% point change 2006-21 Rest of NSW	% point change 2006-21 NSW	% point change 2006-21 ACT
Couple family with no children	2%	1%	1%	1%
Couple family with children	-1%	-3%	-1%	-2%
One parent family	-1%	0%	0%	-1%
Lone person households	0%	2%	1%	3%
Group households	0%	0%	0%	-1%

Figure 2.10: Household Composition Change (percentage point) Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT (2006-21)

Source: JSA 2022 derived from ABS 2021 and ABS 2016

2.7 Need for Assistance (Disability)

Queanbeyan-Palerang LGA has a somewhat lower than average rate of people with a need for assistance with one or more core daily activities, and is quite similar to ACT in this regard, likely related to the lower than average proportion of people in the oldest age groups.



	Queanbeyan-Palerang Regional LGA	Rest of NSW	NSW	ACT
Has need for assistance	4.6%	7.3%	6.1%	4.8%

Figure 2.11: Need for assistance profile, 2021

Source: JSA 2022; ABS 2021 Census of Population and Housing, General Community Profiles.

There are reasonable differences in the rate of people with a severe disability in the small areas analysed, with Queanbeyan SA2 having a particularly high rate of residents who need support with daily activities, and Googong and Queanbeyan West-Jerrabomberra having much lower rates. Although this would be partially related to the younger age in the latter two SA2 areas, this is more likely to be related to other factors such as flats and units in private rental housing and disadvantage in Queanbeyan SA2.

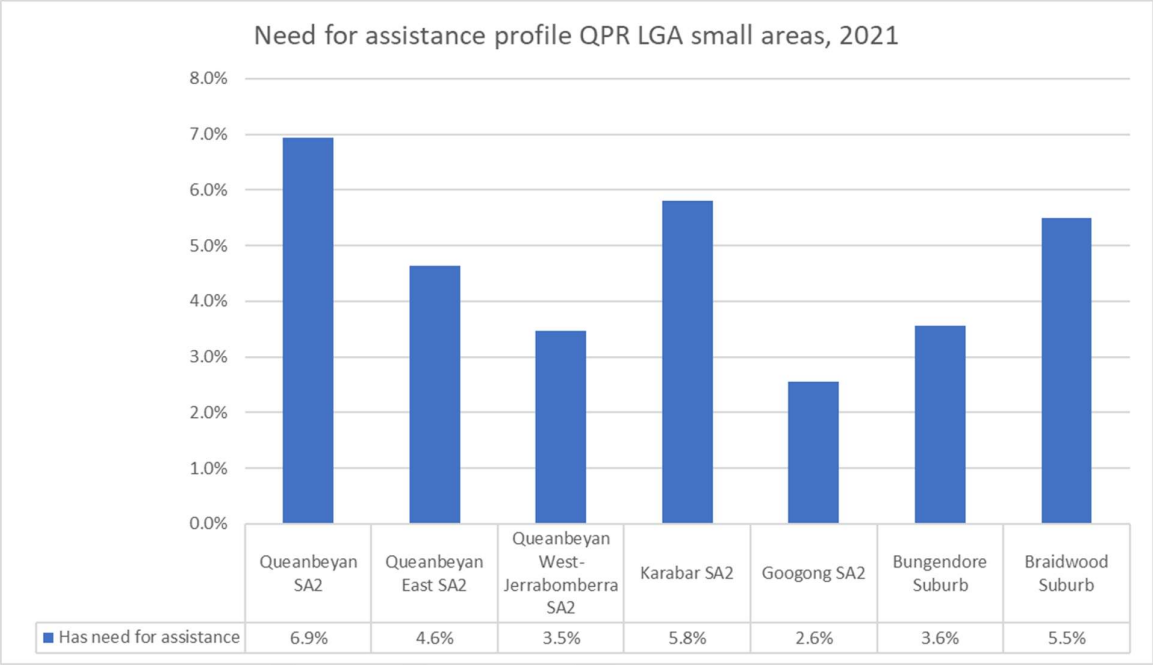


Figure 2.12: Need for assistance profile for small areas, 2021

Source: JSA 2022; ABS 2021 Census of Population and Housing, General Community Profiles.

2.8 Cultural Diversity

Around 3.6% of the local population identified as ATSI compared with 7% for Rest of NSW, 3.6% for NSW and 2% for ACT.

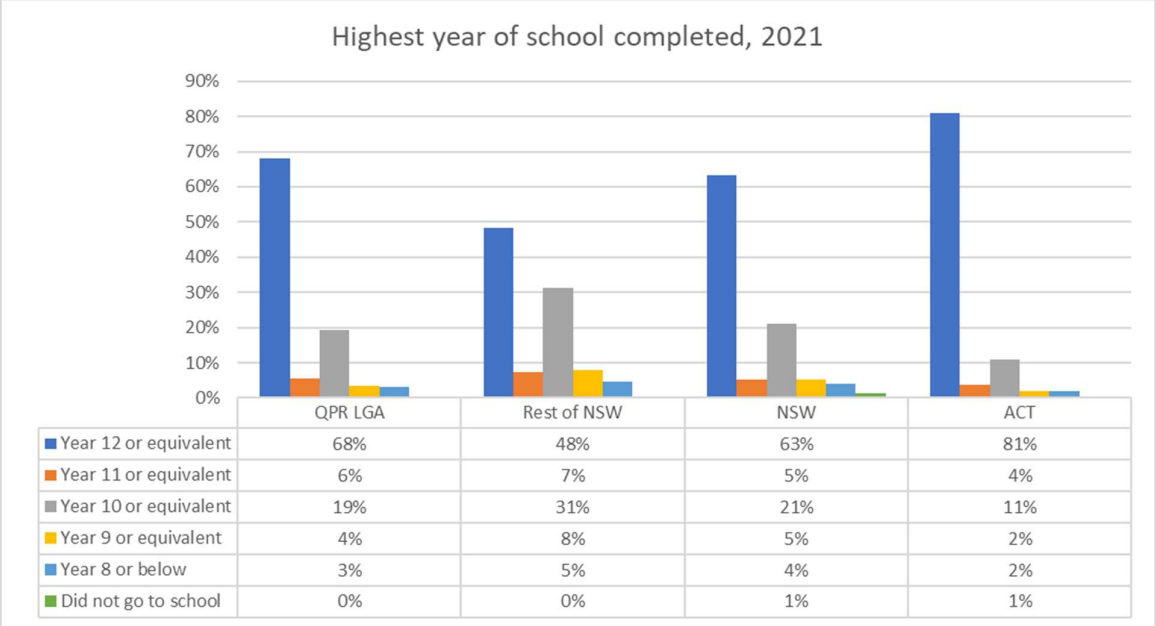
The local population was somewhat more homogenous than average in terms of language and cultural background, with 77% of local people born in Australia, compared with 65% for NSW and 68% for ACT; with only 17% speaking languages other than English at home compared with 30% for NSW and 27% for the ACT.[5]

[5] ABS Quick Stats, 2021.

2.9 Educational Profile

2.9.1 Highest year of school completed

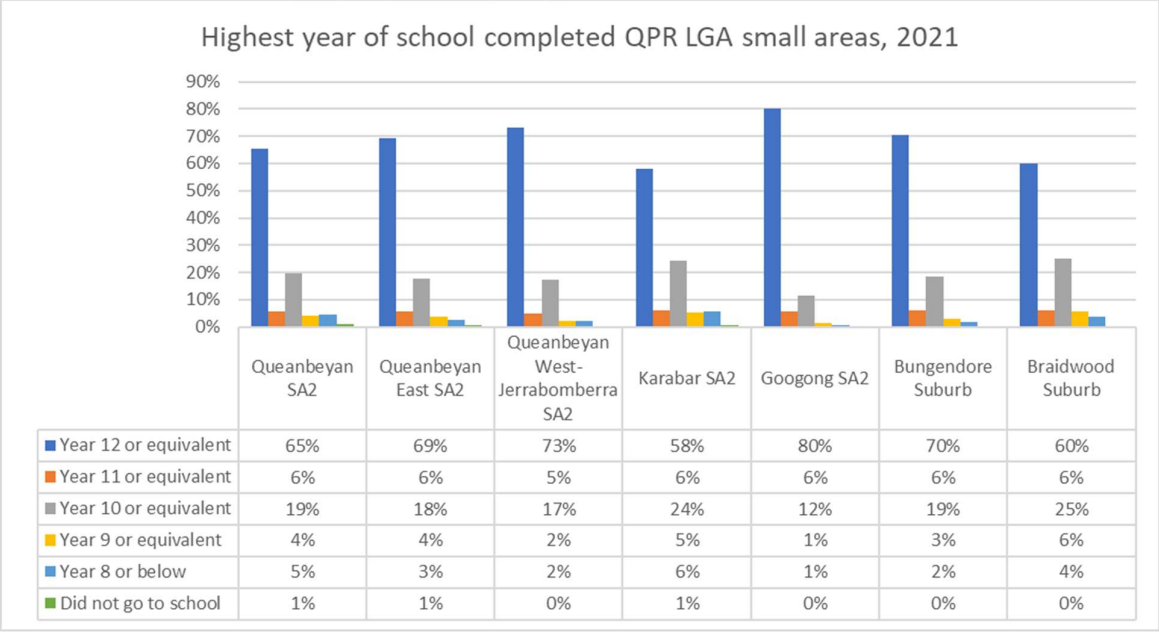
The level of school completion is somewhat higher than average in the LGA, but still much lower than the ACT average, and the SA2 of Googong more closely resembles the ACT educational profile, as shown in the two graphs below.



	QPR LGA	Rest of NSW	NSW	ACT
Year 12 or equivalent	68%	48%	63%	81%
Year 11 or equivalent	6%	7%	5%	4%
Year 10 or equivalent	19%	31%	21%	11%
Year 9 or equivalent	4%	8%	5%	2%
Year 8 or below	3%	5%	4%	2%
Did not go to school	0%	0%	1%	1%

Figure 2.13: Highest year of school completed, 2021

Source: JSA 2022; ABS 2021 Census of Population and Housing, General Community Profiles.



	Queanbeyan SA2	Queanbeyan East SA2	Queanbeyan West-Jerrabomberra SA2	Karabar SA2	Googong SA2	Bungendore Suburb	Braidwood Suburb
Year 12 or equivalent	65%	69%	73%	58%	80%	70%	60%
Year 11 or equivalent	6%	6%	5%	6%	6%	6%	6%
Year 10 or equivalent	19%	18%	17%	24%	12%	19%	25%
Year 9 or equivalent	4%	4%	2%	5%	1%	3%	6%
Year 8 or below	5%	3%	2%	6%	1%	2%	4%
Did not go to school	1%	1%	0%	1%	0%	0%	0%

Figure 2.14: Highest year of school completed for small areas, 2021

Source: JSA 2022; ABS 2021 Census of Population and Housing, General Community Profiles.

2.10 Population Projections

2.10.1 Overview

Council has commissioned population projections from .id Consulting (2017) to guide future planning.[6] (See maps at Appendix D for maps and detailed analysis).

The Queanbeyan-Palerang Regional Council population is forecast to grow from 64,048 people in 2022 to 88,258 people by 2041. This is a total growth in population of 24,210 people or 37.8% over the 20 year period, or an average annual growth rate of 1.7% compared with around 1% for NSW. This is somewhat lower than the 2.1% annual population growth experienced by the LGA from 2011 to 2021, discussed above.

It is noted that .id Consulting forecasts will be updated to reflect the 2021 Census, but currently project change in population from 2016 to 2041.

The following table summarises id. Consulting's key population and housing projections. This is followed by more detailed analysis of these key indicators.

Table 2-3: Key population, households and dwelling forecasts (2016-41)

QPRLGA	2016	2041	Total Change	Total Change	Annual Change
	No.	No.	No.	%	%
Population	57,781	88,258	+30,477	52.7%	1.7%
Households	24,123	36,065	+11,068	45.8%	1.5%
Average household size	2.57	2.63	-	-	-
Dwellings	24,124	36,066	+11,942	49.5%	1.6%
Dwelling Occupancy Rate	92%	92%	0%	0%	0%

Source: idConsulting (2017) Population and Household Forecasts 2016-20416 and JSA (2022) calculation

2.10.2 Population Projections

The main geographic areas of population growth from 2016 to 2041 (accounting for 95% of total projected growth for the LGA) are forecast to be:

- Googong (65% of total projected growth)
- Tralee – Environa (16%)
- Bungendore (11%)
- Queanbeyan (3%)

[6] Id. Consulting (2017) *Queanbeyan-Palerang Regional Council Population and household forecasts 2016 to 2041.*

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This is shown in more detail for the geographies used in the .id Consulting analysis.

Table 2-4: Population projections to 2041, small areas within QPR LGA

Area	2016		2041		Change 2016-2041	
	#	%	#	%	#	%
Braidwood	1,690	3%	2,092	2%	402	23.8
Bungendore	4,285	7%	7,671	9%	3,386	79
Captains Flat - Hoskinstown - Primrose Valley - Rural East	3,976	7%	4,259	5%	283	7.1
Carwoola - Greenleigh - The Ridgeway	2,338	4%	2,853	3%	515	22
Crestwood	4,764	8%	5,282	6%	518	10.9
Googong	2,737	5%	22,593	26%	19,856	725.5
Jerrabomberra	9,887	17%	9,116	10%	-771	-7.8
Karabar	8,531	15%	8,455	10%	-76	-0.9
Queanbeyan	6,466	11%	7,506	9%	1,040	16.1
Queanbeyan East	4,087	7%	4,537	5%	450	11
Queanbeyan West	3,263	6%	3,272	4%	9	0.3
Royalla - Burra	1,866	3%	1,797	2%	-69	-3.7
Tralee - Environa	15	0%	4,961	6%	4,946	32976.1
Wamboin - Bywong - Sutton	3,876	7%	3,864	4%	-12	-0.3
Queanbeyan-Palerang Regional Council	**57,781**	**100%**	**88,258**	**100%**	**30,477**	**52.7**

Source: .id (informed decisions), March 2022, https://forecast.id.com.au/queanbeyan-palerang/population-age-structure-map, accessed 14/07/2022.

2.10.3 Dwellings Projections 2016-41

Key areas of dwelling growth to 2041 (accounting for 86% of projected dwelling growth for the LGA)

- Googong (57% of total projected dwelling growth)
- Tralee – Environa (13%)
- Bungendore (12%)
- Queanbeyan (4%)

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Table 2-5: Dwelling projections to 2041, small areas within QPR LGA

	2016		2041		Change 2016-2041	
Area	#	%	#	%	#	%
Braidwood	792	3.3	1,039	2.9	+247	+31.2
Bungendore	1,529	6.3	2,940	8.2	+1,411	+92.3
Captains Flat - Hoskinstown - Primrose Valley - Rural East	2,165	9.0	2,454	6.8	+289	+13.3
Carwoola - Greenleigh - The Ridgeway	843	3.5	1,091	3.0	+248	+29.4
Crestwood	2,396	9.9	2,664	7.4	+268	+11.2
Googong	900	3.7	7,717	21.4	+6,817	+757.1
Jerrabomberra	3,314	13.7	3,353	9.3	+39	+1.2
Karabar	3,411	14.1	3,535	9.8	+124	+3.6
Queanbeyan	3,262	13.5	3,768	10.4	+506	+15.5
Queanbeyan East	2,147	8.9	2,407	6.7	+260	+12.1
Queanbeyan West	1,332	5.5	1,399	3.9	+67	+5.0
Royalla - Burra	631	2.6	686	1.9	+55	+8.7
Tralee - Environa	5	0.0	1,528	4.2	+1,523	+33330.1
Wamboin - Bywong - Sutton	1,396	5.8	1,484	4.1	+88	+6.3
Queanbeyan-Palerang Regional Council	**24,124**	**100.0**	**36,066**	**100.0**	**+11,942**	**+49.5**

Source: .id (informed decisions), March 2022, https://forecast.id.com.au/queanbeyan-palerang/dwellings-development-map, accessed 14/07/2022.

2.10.4 Age Profile Forecast 2016-41

QPRLGA Age Profile Forecasts

Overall population growth in the LGA is projected to be reasonably distributed across age cohorts compared with may regional areas of NSW, which have a rapidly aging population due to their historical settlement patters and popularly as sea or tree change destinations.

- Around 27% of growth is projected to be amongst people aged 0-19 years;
- Around 40% of growth is projected to be amongst people aged 20-49 years; and
- One third of growth is projected to be amongst people aged 50+ years.

This is shown in the following table in more detail.

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Table 2.2: Population Projection by Age Cohorts 2016- 2041 QPR LGA

	2016		2041		Change 2016-2041	
	#	% of pop	#	% of pop	#	% of total pop growth
0-9 yrs	7868	14%	12019	14%	4151	14%
10-19 yrs	7315	13%	11410	13%	4094	13%
20-34 yrs	11718	20%	16839	19%	5122	17%
35-49 yrs	12807	22%	19770	22%	6963	23%
50-64 yrs	11355	20%	15928	18%	4574	15%
65-74 yrs	4253	7%	6876	8%	2623	9%
75+ yrs	2466	4%	5414	6%	2949	10%
Total persons	57781	100%	88258	100%	30477	100%

Source: .id (informed decisions) March 2022, https://forecast.id.com.au/queanbeyan-palerang/household-types-map, accessed 14/07/2022

Age Profile Forecasts for Selected Forecast Areas

The following table provides projections for areas that are the focus of this research, with more detailed data for all forecast areas provided in Appendix D. It is noted that forecast areas generally align with SA2 areas, although this is not always the case (for example, in relation to Queanbeyan West-Jerrabomberra SA2 which is divided into Queanbeyan West and Jerrabomberra forecast areas in the .id Consulting analysis).

Forecast areas that are projected to age more significantly in the LGA include:

- Karabar forecast area, where a high proportion of net growth is projected to be amongst people aged 75+ years;
- Queanbeyan West forecast area, where all net growth is projected to be amongst people aged 65+ years;
- Jerrabomberra forecast area, where all net growth is projected to be amongst people aged 65+ years;
- Queanbeyan forecast area, where 65% of growth to 2041 is projected to be amongst people aged 50+ years;
- Braidwood forecast area, where just over 60% of growth to 2041 is projected to be amongst people aged 50+ years;
- Queanbeyan East forecast area, where 55% of growth to 2041 is projected to be amongst people aged 50+ years.

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Although a majority of forecast areas are projected to experience an aging of the population, as noted above, growth in those aged 50+ years makes up only 33% of population for the LGA in total as most growth is in release areas associated with areas such as Googong, Tralee – Environa and Bungendore.

Forecast areas where population growth is likely to be made up of children and younger adults include Googong and Tralee-Environa forecast areas where the projected age structure reflects younger and more mature families with children, but with a reasonable proportion projected to move into older age structures as the area matures.

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Table 2-6: Change in Total Population for Selected Forecast Areas by Age Group, 2016 to 2041

	Change 2016-2041	Age group (years)							
		0-9	10-19 yrs	20-34 yrs	35-49 yrs	50-64 yrs	65-74 yrs	75+ yrs	Total persons
Braidwood	#	-1	31	63	62	74	82	90	402
	%	0%	8%	16%	15%	18%	20%	22%	100%
Bungendore	#	306	478	641	741	663	318	239	3386
	%	9%	14%	19%	22%	20%	9%	7%	100%
Crestwood	#	41	83	30	212	73	33	47	518
	%	8%	16%	6%	41%	14%	6%	9%	100%
Googong	#	3164	3165	3722	5052	3203	1024	524	19856
	%	16%	16%	19%	25%	16%	5%	3%	100%
Jerrabomberra	#	-319	-318	-177	-617	-132	357	436	-771
	%	41%	41%	23%	80%	17%	-46%	-57%	100%
Karabar	#	-87	-105	56	27	-225	41	218	-76
	%	114%	138%	-74%	-36%	296%	-54%	-287%	100%
Queanbeyan	#	41	76	100	147	174	147	357	1040
	%	4%	7%	10%	14%	17%	14%	34%	100%
Queanbeyan East	#	-9	85	55	72	69	95	83	450
	%	-2%	19%	12%	16%	15%	21%	18%	100%
Queanbeyan West	#	-4	-43	-50	-32	-55	95	98	9
	%	-44%	-478%	-556%	-356%	-611%	1056%	1089%	100%
Tralee - Environa	#	946	798	648	1098	959	323	176	4946
	%	19%	16%	13%	22%	19%	7%	4%	100%
Queanbeyan-Palerang Regional LGA	**#**	**4151**	**4094**	**5122**	**6963**	**4574**	**2623**	**2949**	**30477**
	%	**14%**	**13%**	**17%**	**23%**	**15%**	**9%**	**10%**	**100%**

Source: .id (informed decisions) March 2022, https://forecast.id.com.au/queanbeyan-palerang/household-types-map, accessed 14/07/2022

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2.10.5 Household Type Projections 2016-41

A majority of growth from 2016 to 2041 is projected to be in smaller households (lone person and couple only), who are expected to make up around 52% of total household growth.

However, there is also forecast to be strong growth in families with children, with couples with children, sole parents with children and 'other families' expected to make up around 47% of household growth over the period, as shown below.

This is quite different to many other regional areas, where a rapidly aging population means that most growth is projected to be in smaller household types (couples and lone parents).

Table 2-7: Household Projection 2016- 2041 QPR LGA

	2016		2041		Change 2016-2041	
	#	% of h/hs	#	% of h/hs	#	% of total h/h growth
Couple with Children Family	7,634	34.4	12,053	36.2	4,419	40%
Sole Parent with Children Family	2,025	9.1	2,443	7.3	418	4%
Couple without Children	5,668	25.5	9,066	27.3	3,398	31%
Lone person household	5,756	25.9	8,124	24.4	2,368	21%
Other Family	587	2.6	879	2.6	292	3%
Group Household	523	2.4	696	2.1	173	2%
TOTAL	**22,193**	**100%**	**33,261**	**100%**	**11,068**	**100%**

Source: .id (informed decisions) March 2022, https://forecast.id.com.au/queanbeyan-palerang/household-types-map, accessed 14/07/2022

The table below shows projected household types for selected forecast areas by 2041, noting:

- A well above average increase in the proportion of lone person households is projected for most areas apart from Googong, Bungendore and Environa-Tralee;
- Most of the net growth in Karabar, Queanbeyan, Queanbeyan East and Queanbeyan West and Jerrabomberra is projected to be in lone person and couple only households;
- Higher than average rates of growth for Couples with Children are forecast for Googong and Environa-Tralee; with very low or negative growth projected for Braidwood; Karabar, Queanbeyan, Queanbeyan East and Queanbeyan West and Jerrabomberra;
- Well above average rates of growth for sole parent families are projected for Queanbeyan, Queanbeyan East and Braidwood.

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Table 2-8: Change in households for Selected Forecast Areas by household type, 2016 to 2041 using .id projections

Change 2016-2041		Lone person households	One parent family	Couple w/ dependents	Couple only	Other family	Group household	Total households
Braidwood	#	87	24	39	75	1	-1	225
	%	39%	11%	17%	33%	0%	0%	100%
Bungendore	#	275	85	547	386	29	14	1336
	%	21%	6%	41%	29%	2%	1%	100%
Googong	#	698	250	3,329	1,706	218	95	6296
	%	11%	4%	53%	27%	3%	2%	100%
Jerrabomberra	#	155	-10	-309	200	-3	4	37
	%	419%	-27%	-835%	541%	-8%	11%	100%
Karabar	#	112	-24	-30	73	-15	1	117
	%	96%	-21%	-26%	62%	-13%	1%	100%
Queanbeyan	#	194	45	62	137	6	19	463
	%	42%	10%	13%	30%	1%	4%	100%
Queanbeyan East	#	75	28	36	88	2	5	234
	%	32%	12%	15%	38%	1%	2%	100%
Queanbeyan West	#	56	-8	-19	44	-5	-4	64
	%	88%	-13%	-30%	69%	-8%	-6%	100%
Tralee - Environa	#	246	0	655	473	61	22	1457
	%	17%	0%	45%	32%	4%	2%	100%
Queanbeyan-Palerang Regional Council	**#**	**2,368**	**418**	**4,419**	**3,398**	**292**	**173**	**11068**
	%	**21%**	**4%**	**40%**	**31%**	**3%**	**2%**	**100%**

Source: .id (informed decisions) March 2022, https://forecast.id.com.au/queanbeyan-palerang/household-types-map, accessed 14/07/2022

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2.11 Migration Trends

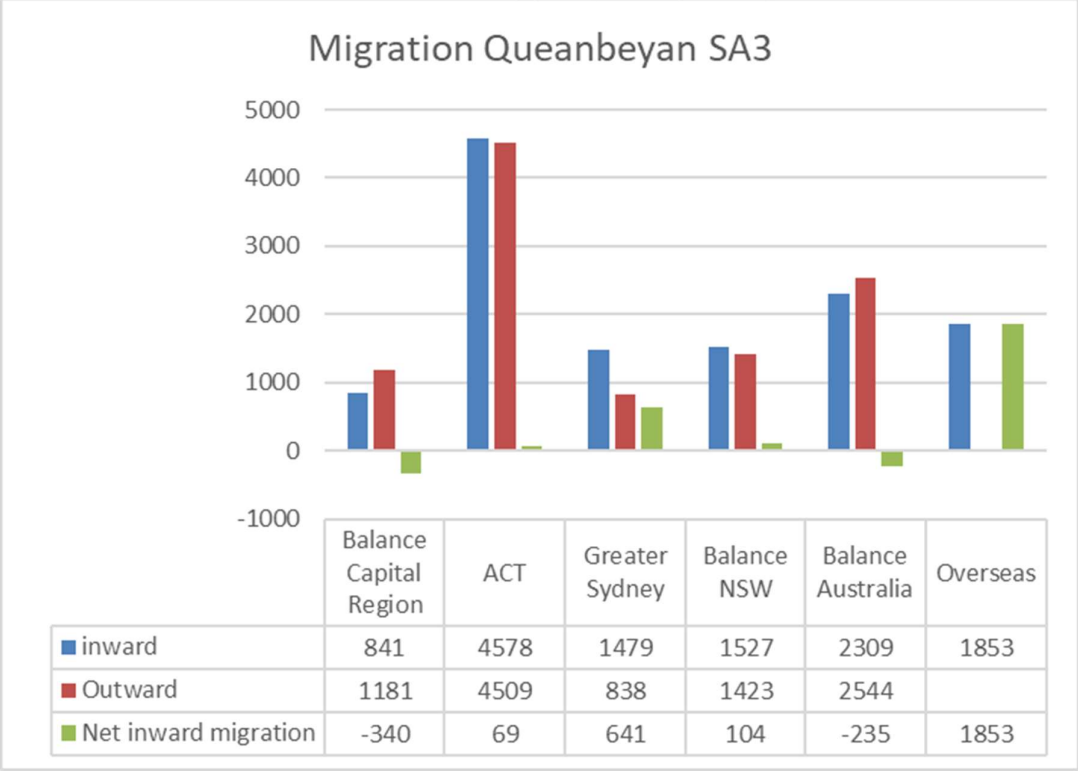
2.11.1 Overall Migration

Queanbeyan-Palerang LGA

The following graphs shows migration trends for the Queanbeyan-Palerang LGA from 2011-16, the most recent published data available.

By far, the highest inward and outward migration was from and to the ACT, although this was only 29 people in net terms, meaning that this migration was mainly 'churn'. Net inward migration was almost entirely from Greater Sydney and Balance of NSW, whilst net outward migration was to Balance Capital Region[7] and Balance Australia. Excluding people from overseas, a **total of 239 people moved into LGA** from 2011-2016 in net terms.

Although there was quite strong inward migration from overseas, no outward migration is recorded by the Census for people returning overseas to live, so that it is difficult to calculate net migration from overseas. However, it is noted that of the 1,853 people who lived overseas 5 years ago, 1,493 of these were not born in Australia, which suggests that many are long-term or permanent migrants, so probably reflect a real gain in population. Community consultations reported elsewhere also suggest this is likely to be the case.



	Balance Capital Region	ACT	Greater Sydney	Balance NSW	Balance Australia	Overseas
inward	841	4578	1479	1527	2309	1853
Outward	1181	4509	838	1423	2544	
Net inward migration	-340	69	641	104	-235	1853

Figure 2.15: Inward, Outward and Net Migration (2011-16) QP LGA

Source: JSA 2022; ABS 2016 Census of Population and Housing, Table Builder

[7] Including Yass, Goulburn Mulwaree, South Coast and Snowy Mountains.

Googong and Bungendore Inward Migration

It is also interesting to understand where people come from who are moving into some of the main areas of projected population increase. The graphs below show that:

- For Googong State Suburb, the main areas where people had lived in 2011 (before moving to Googong) were Queanbeyan LGA and the ACT, in roughly equal numbers. Much smaller numbers of people moved in from Greater Sydney, Balance NSW, Balance Australia and Balance Capital Region.
- For Bungendore State Suburb, the main areas where people had lived in 2011 were (in descending order) the ACT, Balance Capital Region and Queanbeyan LGA, with smaller numbers from Balance Australia, Balance NSW and Greater Sydney.

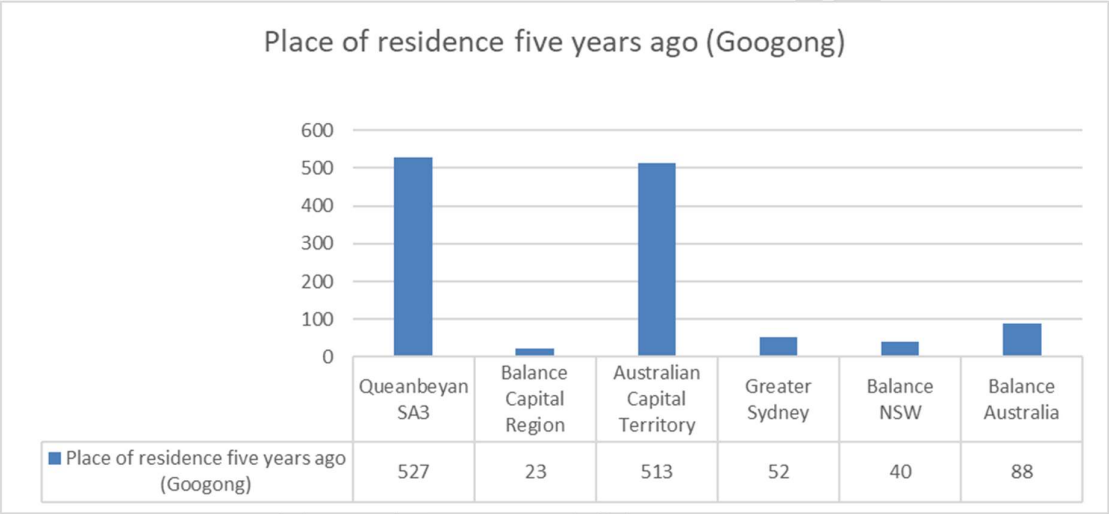


Figure 2.16: Place of Residence 5 Years Ago – Googong State Suburb

Source: JSA 2022; ABS 2016 Census of Population and Housing, Table Builder

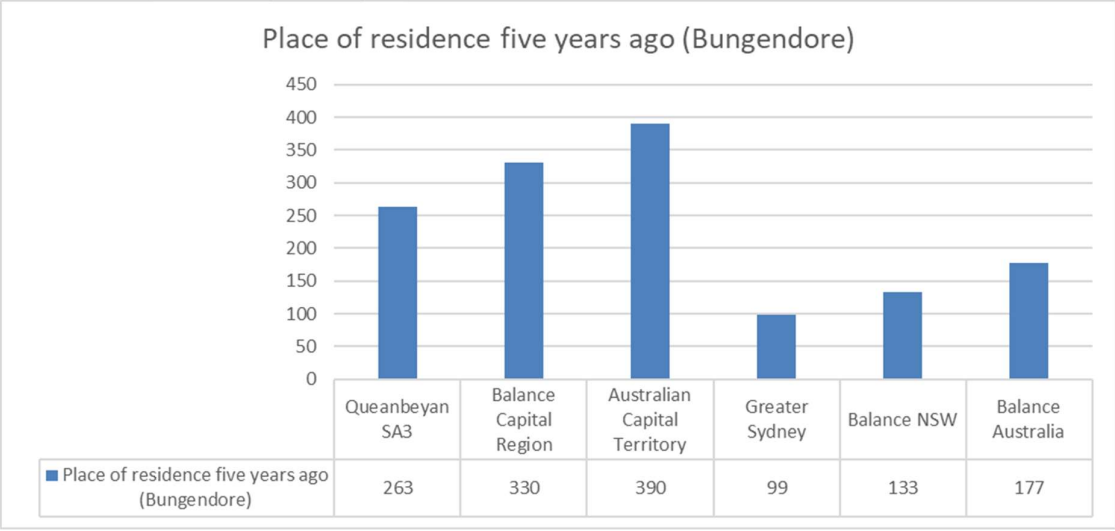


Figure 2.17: Place of Residence 5 Years Ago – Bungendore State Suburb

Source: JSA 2022; ABS 2016 Census of Population and Housing, Table Builder.

Migration by Income Profile

Net migration into Queanbeyan-Palerang LGA from 2011-16 was entirely by moderate and higher income people, with around 65% of net growth from those earning an individual income of around $75,000 per annum.

Overall, 720 people on individual incomes of $40,000 or more per annum moved into the LGA in net terms, and 683 people on less than $40,000 per annum moved out of the LGA, meaning that there was basically a net exchange of higher income people for lower income people in net terms.

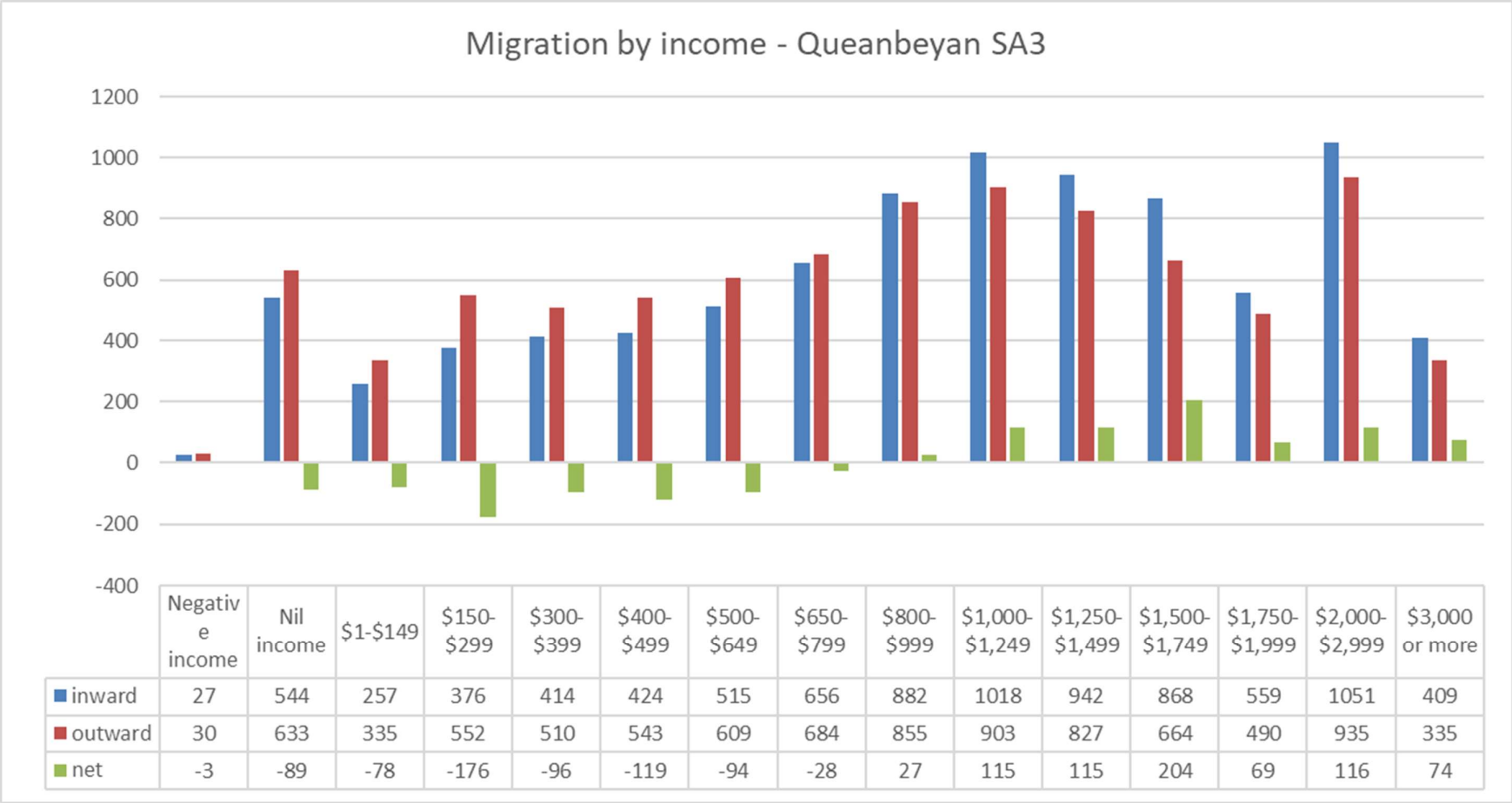
This is shown in the graph below.

Migration by Age Profile

In terms of the age profile of those migrating to the LGA, there was principally a net gain of people in age groups associated with young families, in particular those aged 30-39 years; and net outward migration by people aged 50+ years.

This is shown in the graph that follows.

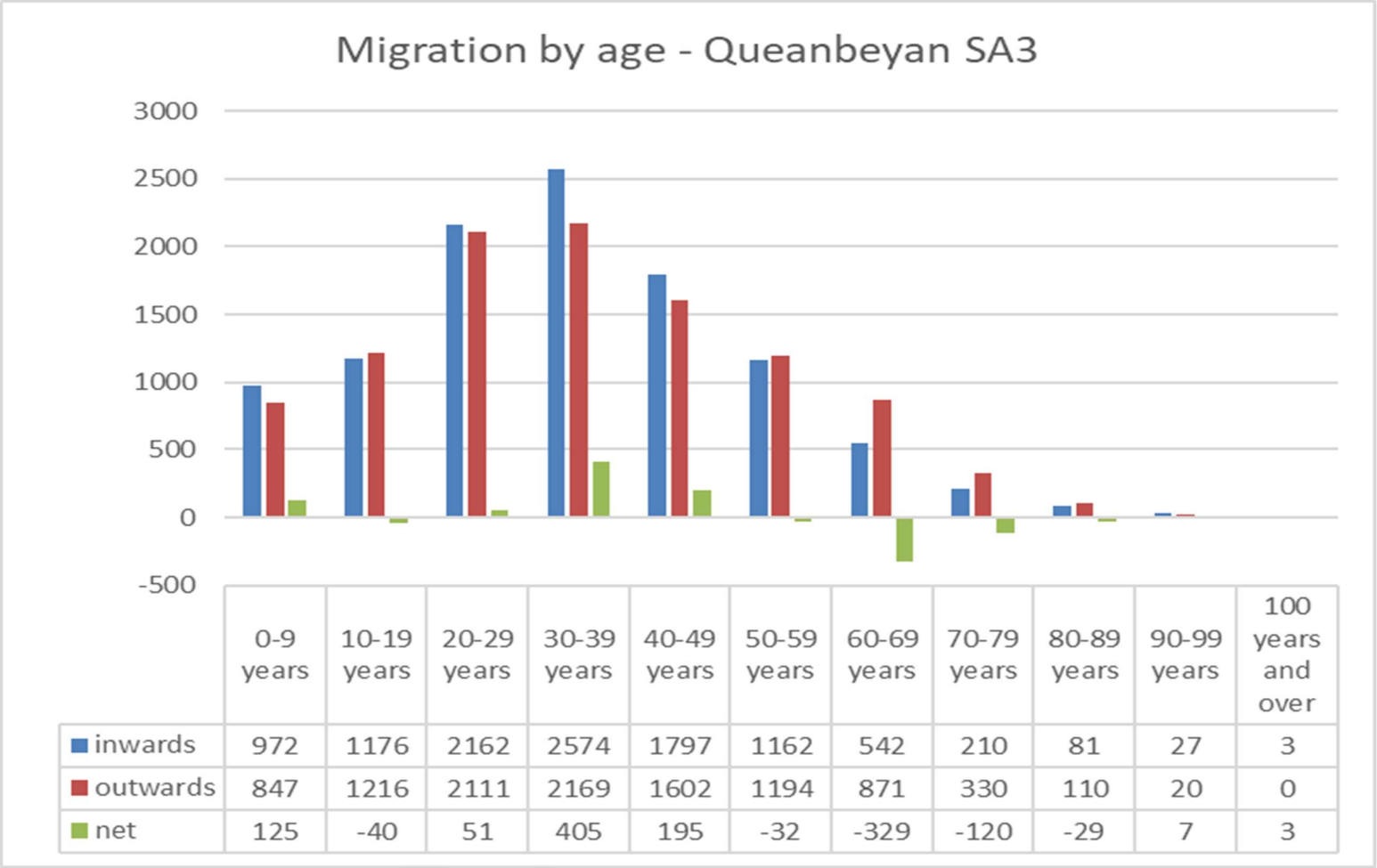
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	Negative income	Nil income	$1-$149	$150-$299	$300-$399	$400-$499	$500-$649	$650-$799	$800-$999	$1,000-$1,249	$1,250-$1,499	$1,500-$1,749	$1,750-$1,999	$2,000-$2,999	$3,000 or more
inward	27	544	257	376	414	424	515	656	882	1018	942	868	559	1051	409
outward	30	633	335	552	510	543	609	684	855	903	827	664	490	935	335
net	-3	-89	-78	-176	-96	-119	-94	-28	27	115	115	204	69	116	74

Figure 2.18: Inward, Outward and Net Migration by Individual Income (2011-16) QP LGA

Source: JSA 2022; ABS 2016 Census of Population and Housing, Table Builder



	0-9 years	10-19 years	20-29 years	30-39 years	40-49 years	50-59 years	60-69 years	70-79 years	80-89 years	90-99 years	100 years and over
inwards	972	1176	2162	2574	1797	1162	542	210	81	27	3
outwards	847	1216	2111	2169	1602	1194	871	330	110	20	0
net	125	-40	51	405	195	-32	-329	-120	-29	7	3

Figure 2.19: Inward, Outward and Net Migration by Age (2011-16) QP LGA

Source: JSA 2022; ABS 2016 Census of Population and Housing, Table Builder

2.12 Journey to Work

2.12.1 Employed Residents of QP LGA

Of the 29,952 employed people who lived in the Queanbeyan-Palerang LGA at the time of the 2016 Census, 62% worked in the ACT, 31% worked in the LGA, and 4% had no fixed place of employment. The remaining 3% of local employed people mainly worked in surrounding LGAs in NSW.

Table 2-9: Employed People who Live in Queanbeyan-Palerang LGA

SA3 of place of work	Total Persons	% of workers
ACT (amalgamated SA3s)	18,547	62%
Queanbeyan	9,264	31%
South Canberra	5,929	20%
North Canberra	5,145	17%
Canberra East	2,558	9%
Woden Valley	1,912	6%
Tuggeranong	1,284	4%
No fixed address	1,212	4%
Belconnen	985	3%
Gungahlin	696	2%
Weston Creek	250	1%

Source: ABS 2016, JSA calculation

2.12.2 Place of work in QP LGA (Local Employment)

In terms of **local jobs**, there were 14,895 people whose place of employment was Queanbeyan-Palerang LGA at the time of the 2016 Census. Of these, 62% of workers lived (and worked) in the LGA, and a further 30% commuted into the LGA from the ACT. Most of the remainder commuted from surrounding LGAs.

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Table 2-10: People whose Place of Work is Queanbeyan-Palerang LGA

SA3 of usual residence	Total Persons	% of workers
Queanbeyan	9,264	62%
ACT (amalgamated SA3s)	4,477	30%
Tuggeranong	1,728	12%
Belconnen	798	5%
Gungahlin	762	5%
Woden Valley	407	3%
North Canberra	372	2%
South Canberra	357	2%
Goulburn - Mulwaree	260	2%
Weston Creek	241	2%
Young – Yass	191	1%

Source: ABS 2016, JSA calculation

Overall, this suggests a high level of connectivity between the Queanbeyan-Palerang LGA and ACT employment and housing markets.

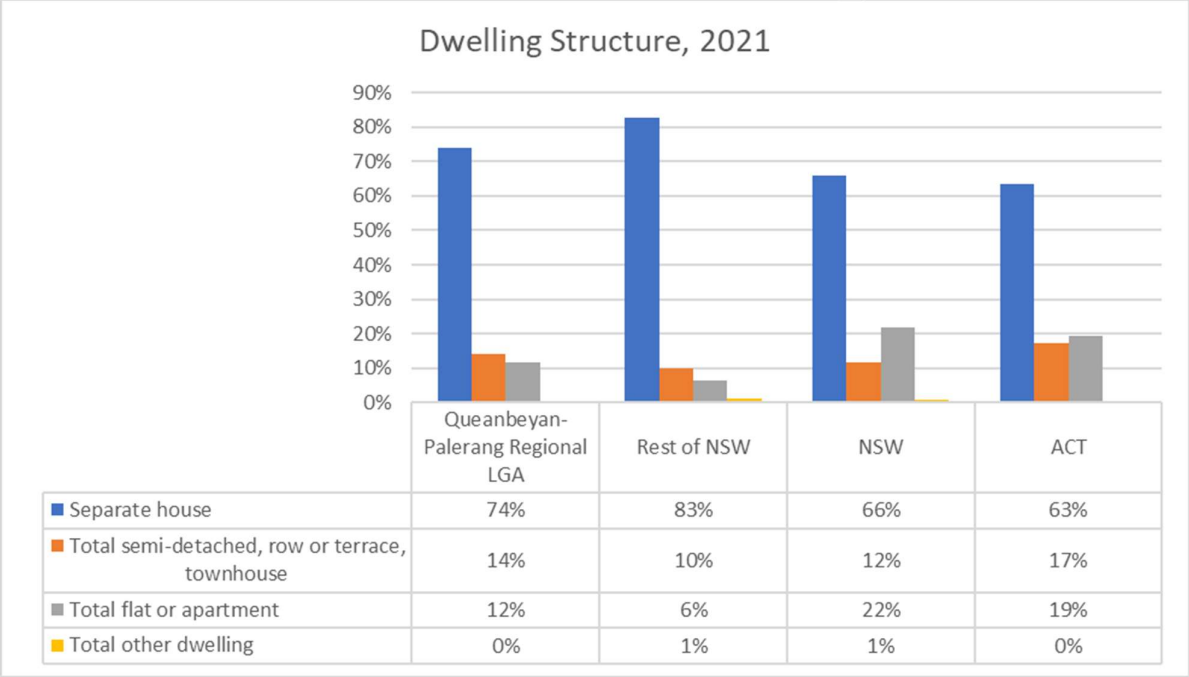
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3 Housing Context

3.1 Structure of Occupied Private Dwellings (OPDs)

3.1.1 Structure of OPDs (2021)

The structure of dwellings in the LGA is quite different to the NSW and ACT averages, having a higher proportion of separate houses and much lower than average rate of flats and units, as shown in the following graph.



	Queanbeyan-Palerang Regional LGA	Rest of NSW	NSW	ACT
Separate house	74%	83%	66%	63%
Total semi-detached, row or terrace, townhouse	14%	10%	12%	17%
Total flat or apartment	12%	6%	22%	19%
Total other dwelling	0%	1%	1%	0%

Figure 3.1: Dwelling structure profile Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT (% of All OPDs)

Source: JSA 2022 derived from ABS 2021 Census of Population and Housing, General Community Profiles

There are considerable differences across the LGA with regard to the profile of dwelling structure, with a much higher than average rate of flats and units, and of medium density dwelling types in Queanbeyan and Queanbeyan East SA2s, and almost all dwellings made up of separate houses in Bungendore and Googong, as shown below.

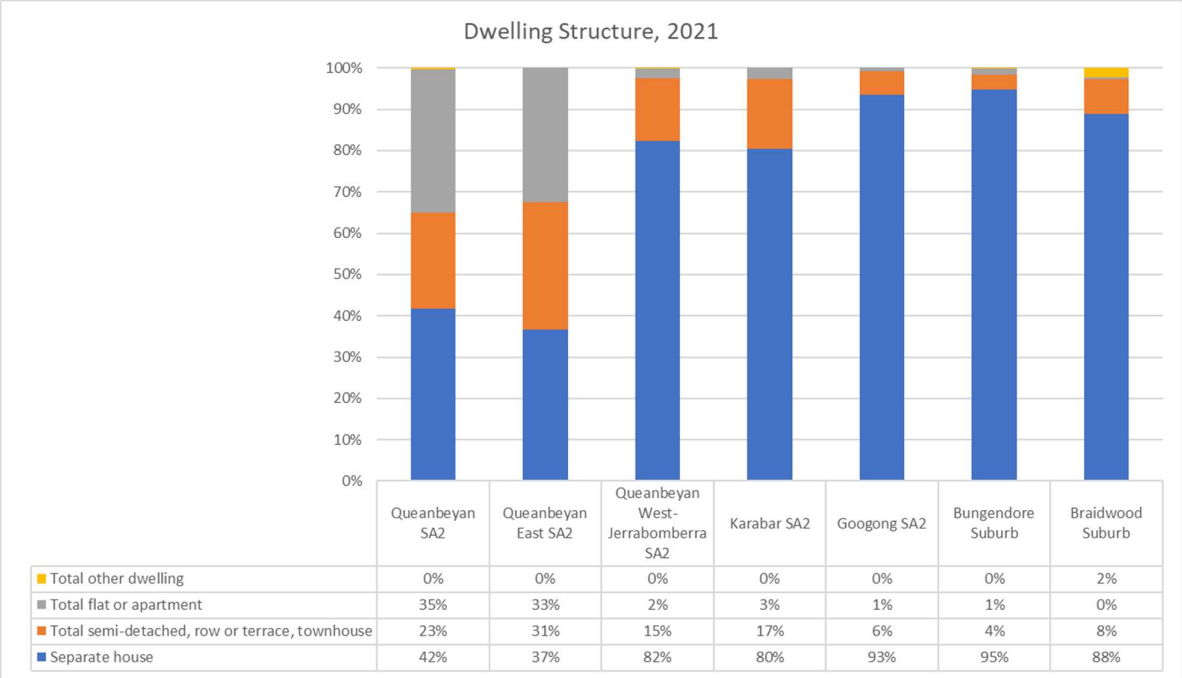


Figure 3.2: Dwelling structure profile small areas within QP LGA (% of All OPDs)

Source: JSA 2022 derived from ABS 2021 Census of Population and Housing, General Community Profiles

Table 3-1: Structure of Occupied Private Dwellings (OPDs) as % of All OPDs in Selected Areas

Area	Separate House	Semi-detached, row, terrace, townhouse, etc	Flat or apartment	Other dwelling
Queanbeyan SA2	42%	23%	35%	0%
Queanbeyan East SA2	37%	31%	33%	0%
Queanbeyan West - Jerrabomberra SA2	82%	15%	2%	0%
Karabar SA2	80%	17%	3%	0%
Googong SA2	93%	6%	1%	0%
Bungendore Suburb	95%	4%	1%	0%
Braidwood Suburb	88%	8%	0%	2%
QPR LGA	74%	14%	12%	0%
Rest of NSW	83%	10%	6%	1%
NSW	66%	12%	22%	1%
ACT	63%	17%	19%	0%

Source: JSA 2022; ABS 2021

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3.1.2 Change in Structure of OPDs (2006-2021)

Number change by dwelling structure type

By far the largest amount of growth in absolute terms in the LGA from 2006 to 2021 was in separate houses, followed by semi-detached, row and townhouse dwelling forms. There was relatively limited growth in flats and units over the period (only 5.4% of growth compared with 38% for NSW and 40% for ACT), as shown below.

Table 3-2: Change in Number of OPDs by Dwelling Structure (2006-21)

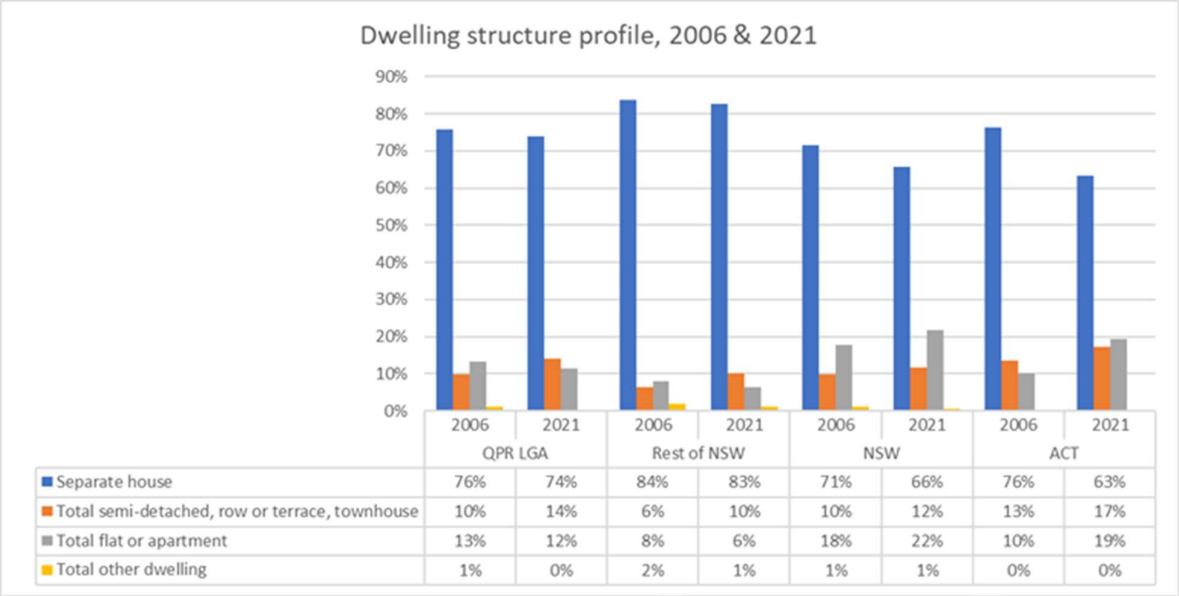
	Separate House	Semi-detached, row, terrace, townhouse, etc	Flat or apartment
	Absolute change 2006-21 (+/- n)	**Absolute change 2006-21 (+/- n)**	**Absolute change 2006-21 (+/- n)**
Queanbeyan SA2	-24	649	414
Queanbeyan East SA2	115	262	161
Queanbeyan West - Jerrabomberra SA2	341	325	-79
Karabar SA2	-136	93	-127
Googong SA2	DNA 2006	DNA 2006	DNA 2006
Bungendore Suburb*	575	51	17
Braidwood Suburb*	37	44	-13
QPR LGA	3,888	2,747	376
Rest of NSW	125,115	48,457	-3,966
NSW	240,116	114,026	218,235
ACT	17,211	13,260	20,885

Source: JSA 2022 derived from ABS 2021 Census of Population and Housing, General Community Profiles and ABS 2016 Census of Population and Housing, Time Series Profiles. *2016 TSP data not available, 2006 BCP data used for Bungendore and Braidwood Suburbs, geographies as at 2006 differ to 2021, see maps.

Percentage point change by dwelling structure type

There was a small increase in medium density dwelling types such as semi-detached, row and townhouses as a proportion of all dwellings that was in line with average increase over the past 15 years, but a small decrease in separate houses and flats and units as a proportion of all housing stock. It is possible that some of the increase in medium density dwelling types may be a result of some different classification of apartments. Again, this is different to the percentage point change in NSW and the ACT, as shown in the graphs and table below.

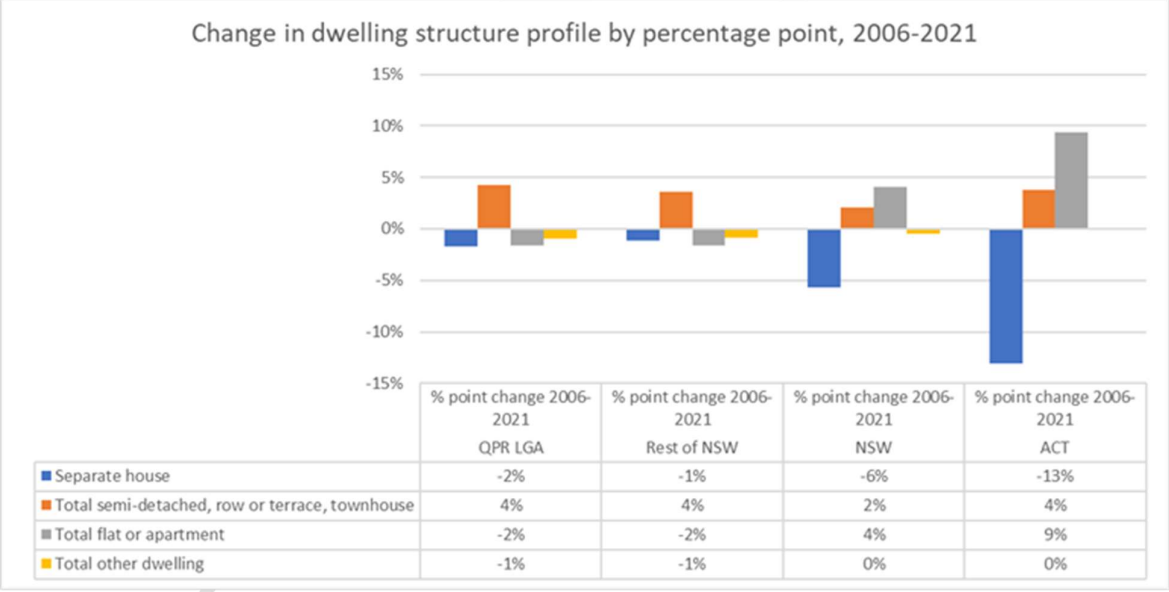
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	2006	2021	2006	2021	2006	2021	2006	2021
	QPR LGA		Rest of NSW		NSW		ACT	
Separate house	76%	74%	84%	83%	71%	66%	76%	63%
Total semi-detached, row or terrace, townhouse	10%	14%	6%	10%	10%	12%	13%	17%
Total flat or apartment	13%	12%	8%	6%	18%	22%	10%	19%
Total other dwelling	1%	0%	2%	1%	1%	1%	0%	0%

Figure 3.3: Dwelling structure change (%) Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT (2006-21)

Source: JSA 2022 derived from ABS 2021 and ABS 2016



	% point change 2006-2021 QPR LGA	% point change 2006-2021 Rest of NSW	% point change 2006-2021 NSW	% point change 2006-2021 ACT
Separate house	-2%	-1%	-6%	-13%
Total semi-detached, row or terrace, townhouse	4%	4%	2%	4%
Total flat or apartment	-2%	-2%	4%	9%
Total other dwelling	-1%	-1%	0%	0%

Figure 3.4: Dwelling structure change (percentage point) Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT (2006-21)

Source: JSA 2022 derived from ABS 2021 and ABS 2016

Table 3-3: Change in OPDs by Dwelling Structure (Percentage Point) (2006-21)

	Separate House	Semi-detached, row, terrace, townhouse, etc	Flat or apartment
	Percentage point change 2006-21 (+/- %)	Percentage point change 2006-21 (+/- %)	Percentage point change 2006-21 (+/- %)
Queanbeyan SA2	-12%	11%	1%
Queanbeyan East SA2	-5%	6%	-1%
Queanbeyan West - Jerrabomberra SA2	-4%	6%	-2%
Karabar SA2	0%	4%	-4%
Googong SA2	DNA 2006	DNA 2006	DNA 2006
Bungendore Suburb	-4%	3%	1%
Braidwood Suburb	-7%	6%	-2%
QPR LGA	-2%	4%	-2%
Rest of NSW	-1%	4%	-2%
NSW	-6%	2%	4%
ACT	-13%	4%	9%

Source: JSA 2022 derived from ABS 2021 Census of Population and Housing, General Community Profiles and ABS 2016 Census of Population and Housing, Time Series Profiles.

3.2 Household Tenure Profile 2021

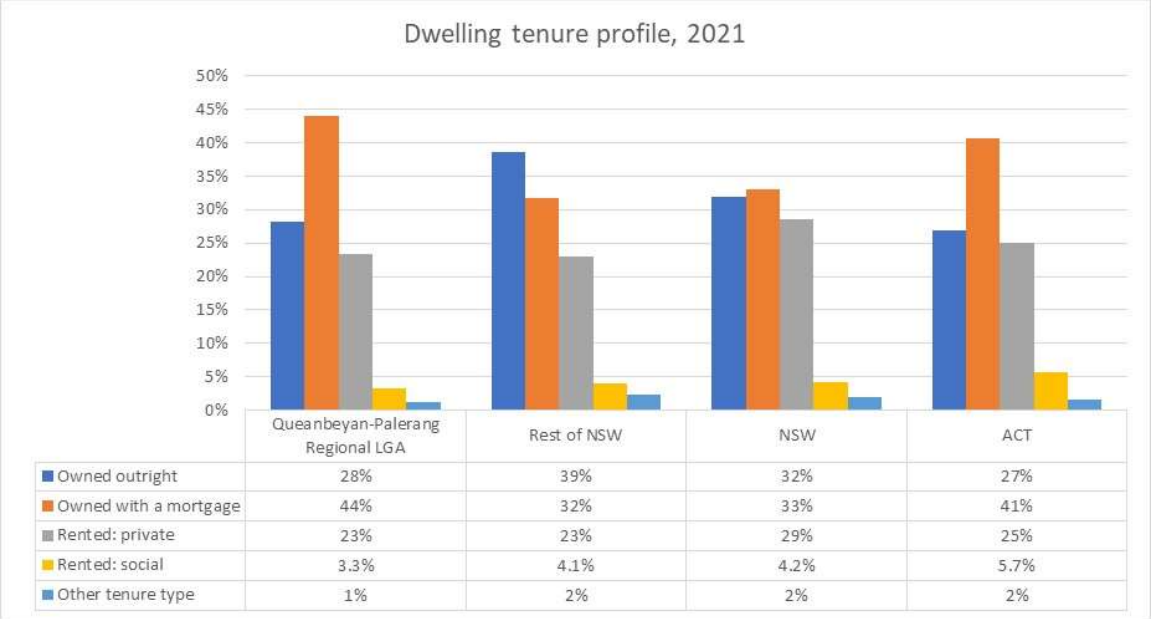
3.2.1 Tenure Profile (2021)

Queanbeyan-Palerang LGA has a much lower than average rate of both private rental and social rental than the NSW average. In the case of private rental, this is likely related to the much lower proportion of flats and units, which are likely to enter the private rental market at a greater than average rate, and the relative lack of growth in such dwelling types in recent years.

In the case of social rental, there has been a lack of growth to meet increasing need and to maintain historical levels, and an apparent sell off and deterioration of social housing stock over some years.

In terms of owner occupied dwellings, a higher than average proportion of local residents are purchasing their home rather than outright home owners, as shown below.

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	Queanbeyan-Palerang Regional LGA	Rest of NSW	NSW	ACT
Owned outright	28%	39%	32%	27%
Owned with a mortgage	44%	32%	33%	41%
Rented: private	23%	23%	29%	25%
Rented: social	3.3%	4.1%	4.2%	5.7%
Other tenure type	1%	2%	2%	2%

Figure 3.5: Dwelling tenure profile Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT 2021

Source: JSA 2022 derived from ABS 2021 Census of Population and Housing

Most small areas analysed have a much lower than average rate of social housing, particularly Bungendore, Braidwood and Googong. The only area with an above average component of social housing is Karabar SA2, with 10.9% of its households in social housing.

There are much higher than average rates of private rental in Queanbeyan and Queanbeyan East SA2s, which is not surprising given the very high rate of medium and higher density housing stock in these areas. Again, areas with very low relative rates of private rental are those with limited housing diversity, in particular Bungendore, as well as Braidwood, Queanbeyan West-Jerrabomberra and Googong.

Very high rates of mortgagees are found in Bungendore and Googong in particularly, where only 7% of dwellings are owned outright in the case of the latter, as shown below.

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Table 3-4: Dwelling Tenure Profile (%) for Selected Areas (2021)

Tenure Type	Queanbeyan SA2	Queanbeyan East SA2	Queanbeyan West-Jerrabomberra SA2	Karabar SA2	Googong SA2	Bungendore Suburb	Braidwood Suburb	QPR LGA	Rest of NSW	NSW	ACT
Owned outright	23%	23%	29%	30%	7%	26%	48%	28%	39%	32%	27%
Owned with mortgage	32%	32%	47%	41%	72%	59%	27%	44%	32%	33%	41%
Rented (private)	39%	40%	20%	18%	20%	14%	21%	23%	23%	29%	25%
Rented (social)	4.2%	3.8%	2.5%	10.9%	0.5%	0.0%	0.4%	3.3%	4.1%	4.2%	5.7%
Other tenure type	2%	1%	1%	1%	0%	1%	1%	1%	2%	2%	2%

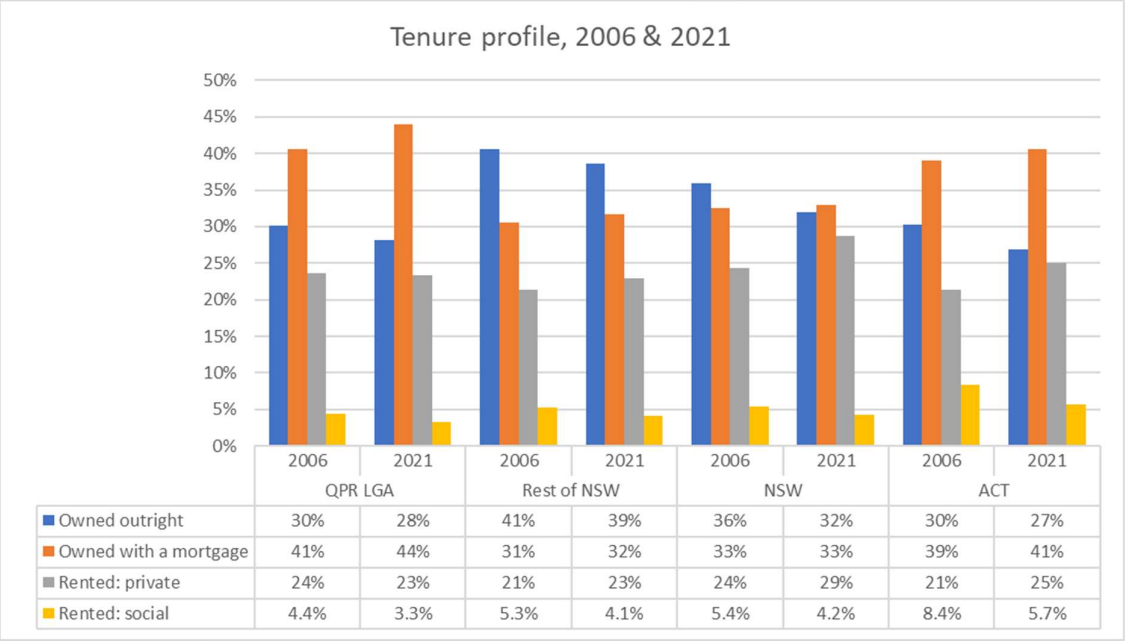
Source: JSA, 2022, based on data from ABS Census of Population and Housing 2021

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3.2.2 Change in Tenure Profile (2006-2021)

There has been a small decline in private rental as a proportion of all stock over the past 15 years, noting also that private rental has been lower than average historically in the LGA as a whole. This is likely related to a large extent to the lack of growth in higher density housing stock, which enters the rental market at much higher rates than separate houses and medium density dwellings. This is more serious in the context of people staying longer or even permanently in the private rental market, pent up demand from household formation from younger people and those leaving a relationship, and the fact that many jobs in the local economy are contract and short- to medium-term, so would be expected to result in quite a lot of 'churn' in the rental market, as discussed later.

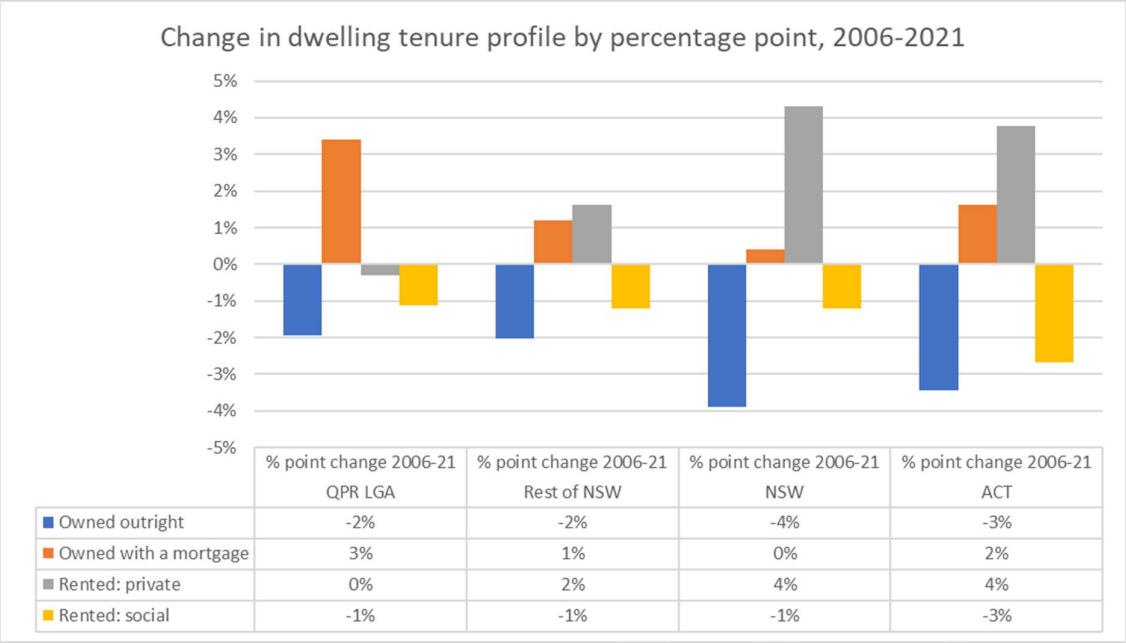
Of major concern is that social housing experienced a one percentage point decrease as a proportion of all dwellings from 2006-21 (declining from 4.4% to 3.3% of households in the LGA), as well as a loss of stock in absolute terms. This is particularly serious given the fact that need for social housing is increasing, with long waiting times, and that the main groups facing housing stress are very low and low income renters. It is also occurring in the context of a State-wide loss of social housing dwellings through sale and deterioration/vacancy of more than 3,500 dwellings over the past 15 years.



	2006	2021	2006	2021	2006	2021	2006	2021
	QPR LGA		Rest of NSW		NSW		ACT	
Owned outright	30%	28%	41%	39%	36%	32%	30%	27%
Owned with a mortgage	41%	44%	31%	32%	33%	33%	39%	41%
Rented: private	24%	23%	21%	23%	24%	29%	21%	25%
Rented: social	4.4%	3.3%	5.3%	4.1%	5.4%	4.2%	8.4%	5.7%

Figure 3.6: Household Tenure Change (%) Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT (2006-21)

Source: JSA 2022 derived from ABS 2021



	% point change 2006-21 QPR LGA	% point change 2006-21 Rest of NSW	% point change 2006-21 NSW	% point change 2006-21 ACT
Owned outright	-2%	-2%	-4%	-3%
Owned with a mortgage	3%	1%	0%	2%
Rented: private	0%	2%	4%	4%
Rented: social	-1%	-1%	-1%	-3%

Figure 3.7: Household Tenure Change (percentage point) Queanbeyan-Palerang LGA compared with Rest of NSW, NSW and ACT (2006-21)

Source: JSA 2022 derived from ABS 2021 and ABS 2016

Table 3-5: Change in Number of OPDs by Tenure Type (2006-21)

	Owned outright	Owned with a mortgage	Rented: private	Rented: social	Other tenure type
	Absolute change 2006-21 (+/- n)	Absolute change 2006-21 (+/- n)	Absolute change 2006-21 (+/- n)	Absolute change 2006-21 (+/- n)	Absolute change 2006-21 (+/- n)
Queanbeyan SA2	-19	440	557	56	21
Queanbeyan East SA2	108	172	195	26	14
Queanbeyan West - Jerrabomberra SA2	490	21	83	-27	13
Karabar SA2	-85	60	-64	-68	11
Googong SA2	DNA 2006	DNA 2006	DNA 2006	DNA 2006	DNA 2006
Bungendore Suburb*	150	438	70	-4	17
Braidwood Suburb*	40	33	10	-11	4
QPR LGA	1,256	3,063	1,265	-9	161

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	Owned outright	Owned with a mortgage	Rented: private	Rented: social	Other tenure type
	Absolute change 2006-21 (+/- n)	Absolute change 2006-21 (+/- n)	Absolute change 2006-21 (+/- n)	Absolute change 2006-21 (+/- n)	Absolute change 2006-21 (+/- n)
Rest of NSW	43,866	61,530	51,321	-4,213	15,650
NSW	93,995	197,469	262,152	-3,529	35,863
ACT	9,609	22,441	17,096	-189	2,043

Source: JSA 2022 derived from ABS 2021 Census of Population and Housing, General Community Profiles and ABS 2016 Census of Population and Housing, Time Series Profiles. *2016 TSP data not available, 2006 BCP data used for Bungendore and Braidwood Suburbs, geographies as at 2006 differ to 2021, see maps.

Table 3-6: Change in OPDs by Dwelling Tenure Type (Percentage Point) (2006-21)

	Owned outright	Owned with a mortgage	Rented: private	Rented: social	Other tenure type
	Percentage point change 2006-21 (+/- n)	Percentage point change 2006-21 (+/- n)	Percentage point change 2006-21 (+/- n)	Percentage point change 2006-21 (+/- n)	Percentage point change 2006-21 (+/- n)
Queanbeyan SA2	-7%	3%	4%	0%	0%
Queanbeyan East SA2	-1%	0%	-1%	0%	0%
Queanbeyan West - Jerrabomberra SA2	9%	-7%	-1%	-1%	0%
Karabar SA2	-1%	4%	-1%	2%	0%
Googong SA2	DNA 2006	DNA 2006	DNA 2006	DNA 2006	DNA 2006
Bungendore Suburb*	-3%	5%	-2%	0%	1%
Braidwood Suburb*	0%	2%	-1%	-2%	0%
QPR LGA	-2%	3%	0%	-1%	1%
Rest of NSW	-2%	1%	2%	-1%	1%
NSW	-4%	0%	4%	-1%	1%
ACT	-3%	2%	4%	-3%	1%

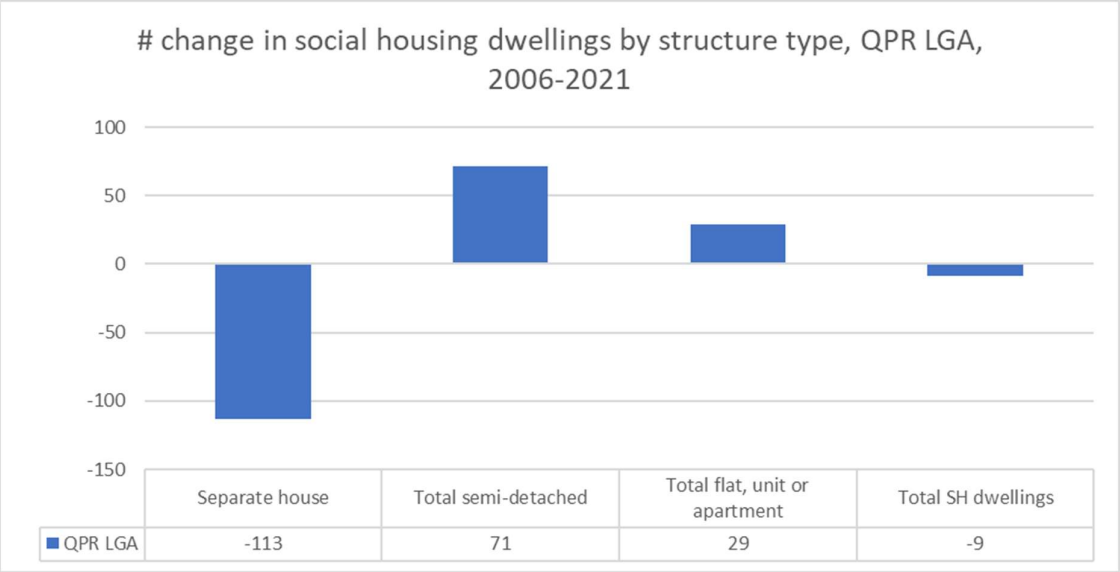
Source: JSA 2022 derived from ABS 2021 Census of Population and Housing, General Community Profiles and ABS 2016 Census of Population and Housing, Time Series Profiles. *2016 TSP data not available, 2006 BCP data used for Bungendore and Braidwood Suburbs, geographies as at 2006 differ to 2021, see maps.

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3.2.3 Change in social housing dwellings over 15 years (2006-2021)

In terms of the nature of change in the structure of social housing dwellings, the following graph indicates that there has been some redevelopment of separate houses to increase diversity. However, as noted, this has still resulted in a net loss of nine social housing dwellings, despite the expectation that such redevelopment would increase dwelling yield.

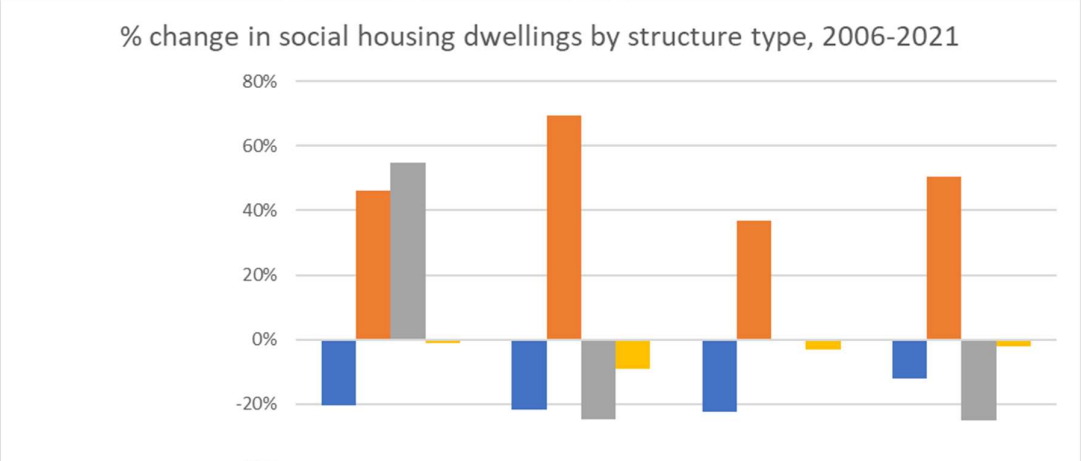
Redevelopment is also evident at the NSW scale, although with lower rates of units.



	Separate house	Total semi-detached	Total flat, unit or apartment	Total SH dwellings
QPR LGA	-113	71	29	-9

Figure 3.8: Change in no. of social housing dwellings by structure QP LGA 2006-2021

Source: JSA 2022 derived from ABS 2021 and ABS 2016



	QPR LGA	Rest of NSW	NSW	ACT
Separate house	-20%	-22%	-22%	-12%
Total semi-detached	46%	70%	37%	50%
Total flat, unit or apartment	55%	-25%	0%	-25%
Total SH dwellings	-1%	-9%	-3%	-2%

Figure 3.9: Percent change in social housing dwellings by structure type in QPR LGA compared with Rest of NSW, NSW and ACT, 2006-2021

Source: JSA 2022 derived from ABS 2021 and ABS 2016

3.2.4 Rental Data from ABS (2021) Census

As well as rental data from the NSW Rent and Sales Report, discussed later, information on rents by small area is available from the 2021 Census, although a limitation of this data is that it is self-reported, does not account for differences in dwelling types or size, and includes a range of rental arrangements including long-term rental and rents between related adults etc, rather than new bonds as reported in the NSW Rent and Sales Report.

Nonetheless, it provides some indicative data in terms of comparisons between small areas, and indicates that, overall, areas such as Bungendore and Googong are far more expensive than average, while the areas of Queanbeyan, Queanbeyan East, Karabar and Braidwood have lower rents overall compared with NSW, remembering that the latter is strongly influenced by the Greater Sydney housing market.

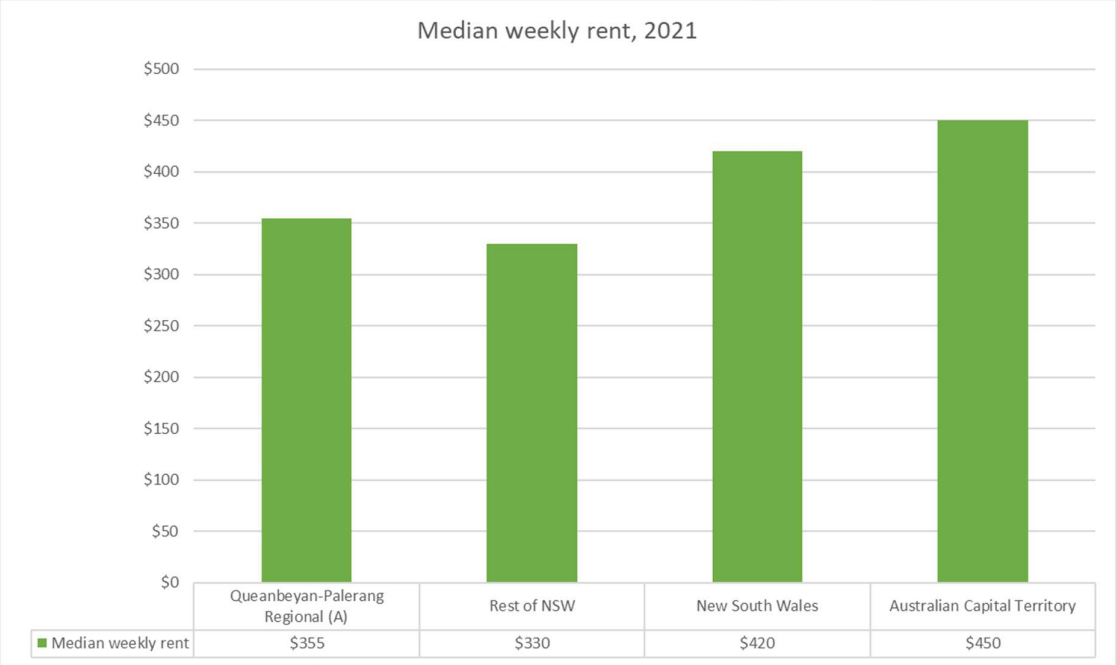


Figure 3.10: Median weekly rent, 2021

Source: JSA 2022; ABS 2021 Census of Population and Housing, Quick Stats.

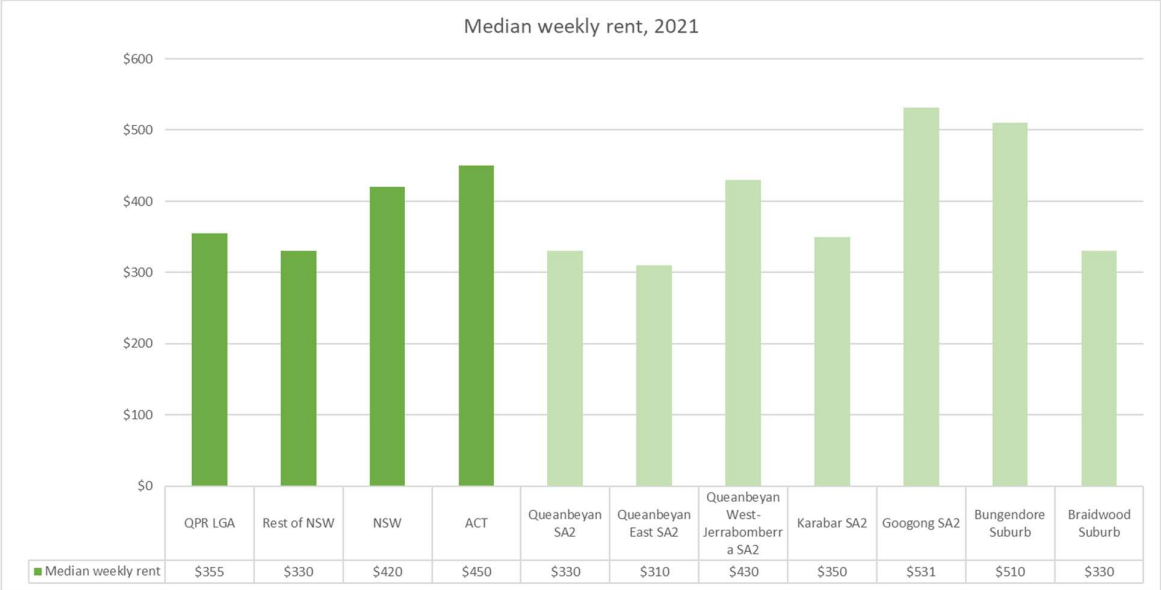


Figure 3.11: Median weekly rent including small areas, 2021

Source: JSA 2022; ABS 2021 Census of Population and Housing, Quick Stats.

3.2.5 Mortgage Data from ABS (2021) Census

The ABS (2022) Census also provides self-reported data on the amount of monthly mortgage repayments paid by a household. The following indicates that local mortgage repayments are comparable to the NSW average, and are in fact higher than for NSW. As discussed later, the cost of separate houses in the LGA is comparable to that of NSW generally, so this is probably not surprising.

In terms of small areas, households in Googong, Bungendore and Queanbeyan West-Jerrabomberra have above average mortgage repayments, whilst those in Queanbeyan, Queanbeyan East, Karabar and Braidwood have lower than average repayments, likely related to the size, nature and age of dwellings in the different areas.

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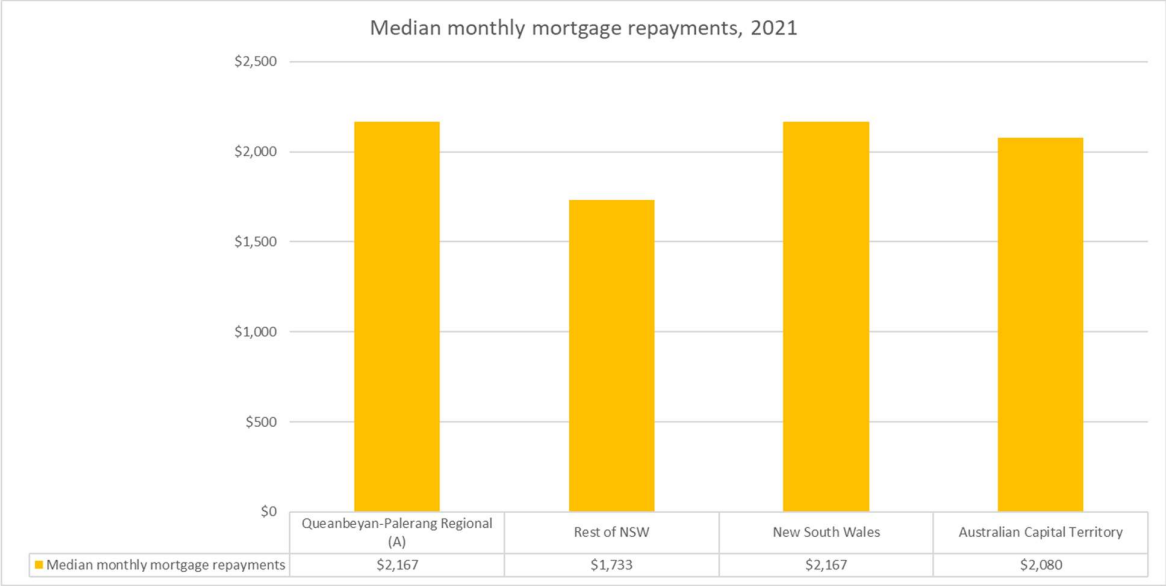


Figure 3.12: Median monthly mortgage repayments, 2021

Source: JSA 2022; ABS 2021 Census of Population and Housing, Quick Stats.

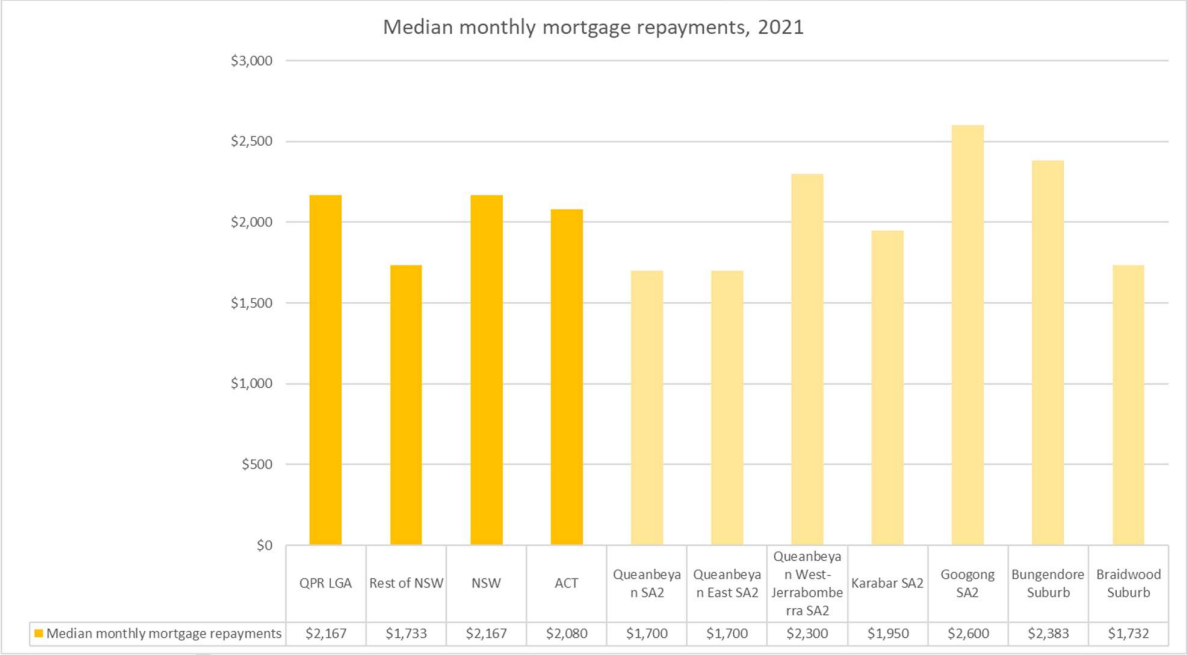


Figure 3.13: Median monthly mortgage repayments including small areas, 2021

Source: JSA 2022; ABS 2021 Census of Population and Housing, Quick Stats.

3.3 Homelessness and 'At Risk' of Homelessness

3.3.1 What is homelessness?

The Australian Bureau of Statistics defines homelessness as follows.[8]

When a person does not have suitable accommodation alternatives, they are considered homeless if their current living arrangement:

- is in a dwelling that is inadequate; or
- has no tenure, or if their initial tenure is short and not extendable; or
- does not allow them to have control of, and access to space for social relations.

Although some agencies and research categorise people as being in different degrees of homelessness,[9] the ABS treats people in the following Census categories as 'homeless':

- Persons living in improvised dwellings, tents, or sleeping out
- Persons in supported accommodation for the homeless
- Persons staying temporarily with other households
- Persons living in boarding houses
- Persons in other temporary lodgings
- Persons living in 'severely' crowded dwellings

ABS counts people in the following Census categories as 'marginally housed',[10] and therefore at risk of homelessness:

- Persons living in other crowded dwellings
- Persons in other improvised dwellings
- Persons who are marginally housed in caravan parks

3.3.2 General Characteristics of Homeless People

Of people accessing homelessness services in NSW in 2014-15,[11]

- 58% were female
- 42% were male
- 51% were under 25, including 22% under 15[12]

[8] ABS 4922.0 (2012) Information Paper – A Statistical Definition of Homelessness
[9] For example, primary homelessness as 'sleeping rough', as well as secondary and tertiary homelessness as variously 'couch surfing', staying in more temporary forms of accommodation, etc.
[10] ABS 20490DO005_2016 Census of Population and Housing: Estimating homelessness, 2016; greater detail on definitions is available in notes to the spreadsheet.
[11] NSW Government (2016) Foundations for change – Homelessness in NSW, page 8
[12] Other age groups were not available

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- 25% were Aboriginal
- 51% were homeless and 49% were at risk of homelessness.

The primary reasons given for people accessing homelessness services were:[13]

- Housing crises (22%)
- Domestic and family violence (20%)
- Financial difficulties (11%)
- Inadequate or inappropriate dwelling conditions (8%)
- Relationship/family breakdown (7%)
- Previous accommodation ended (6%)
- Housing affordability stress (5%)
- Other reasons (21%).

The ABS' *General Social Survey* provides more detailed information on the characteristics of people who have experienced homelessness in the last ten years, indicating that they are disproportionately young people, whilst a high proportion are also middle aged:[14]

- 53% of people were aged 15-34 years compared to 33% of the general population aged 15 or over
- 43% of people were aged 35-64 years compared to 47% of the general population aged 15 or over
- 4% of people were aged over 65 years compared to 19% of the general population aged 15 or over.

The graphs below show:

- Situation ever experienced homelessness
- All reasons for most recent experience of homelessness
- Time since last experienced homelessness
- Length of time of most recent experience of homelessness
- Whether sought assistance from service organisation(s) during most recent experience of homelessness.

In summary, the most common response to homelessness is to stay with friends or relatives, while the most common cause of homelessness was relationship problems. Less than half of respondents had experienced homelessness in the last two years. The median time of homeless was around one month, with around one quarter of respondents homeless for six months or more. Only one

[13] *Ibid*, page 8.
[14] ABS 20490DO005_2016 Census of Population and Housing: Estimating homelessness, 2016

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third of respondents sought assistance with homelessness, and of these, around 70% used housing service providers or crisis accommodation.

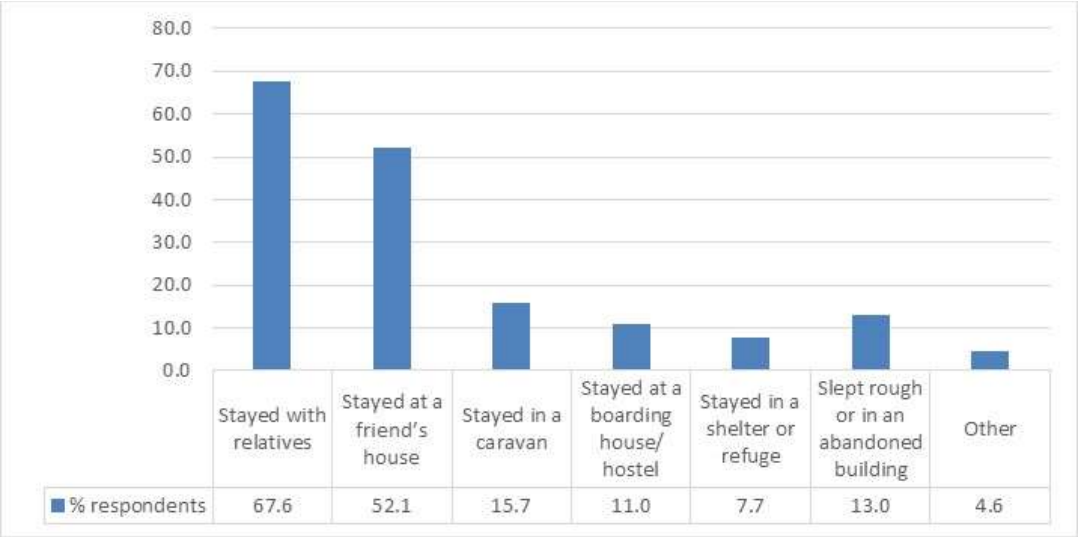


Figure 3.14: Situation ever experienced homelessness.

Source: JSA 2022, based on General Social Survey 2016

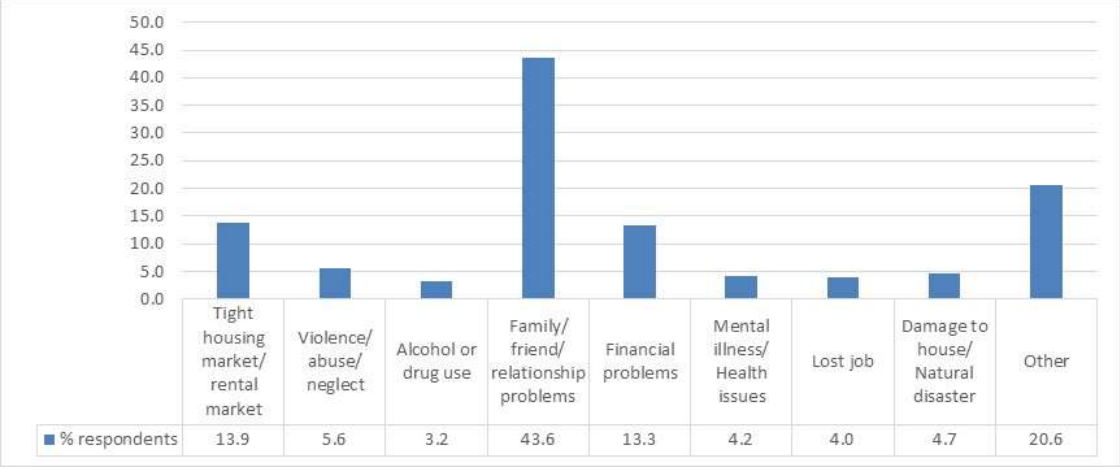


Figure 3.15: All reasons for most recent experience of homelessness.

Source: JSA 2022, based on General Social Survey 2016

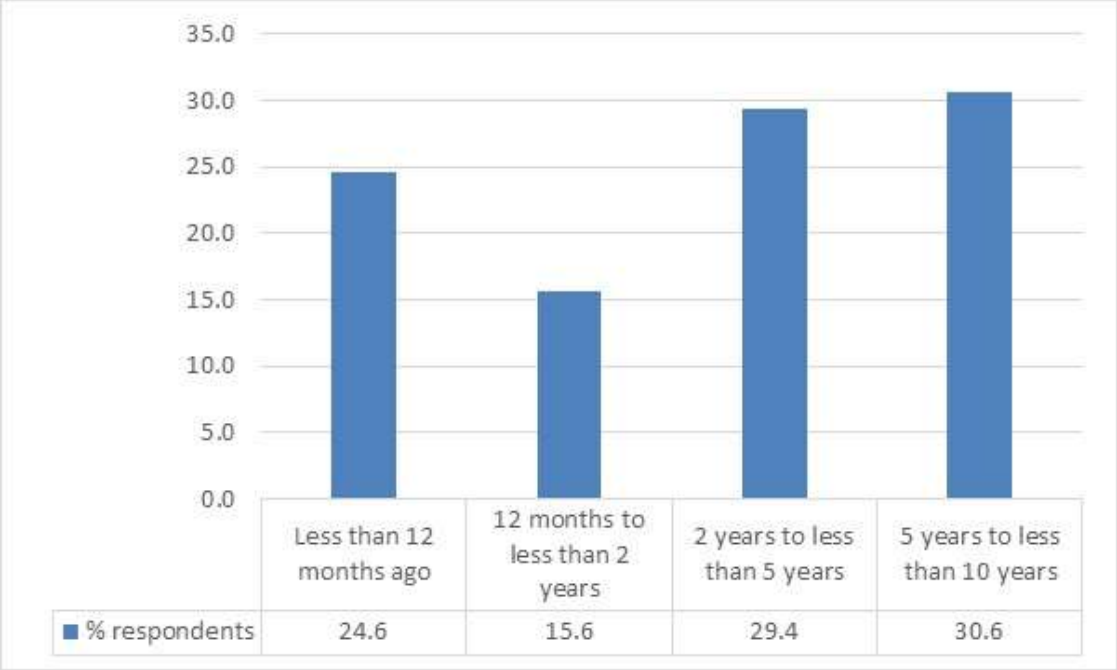


Figure 3.16: Time since last experienced homelessness.

Source: JSA 2022, based on General Social Survey 2016

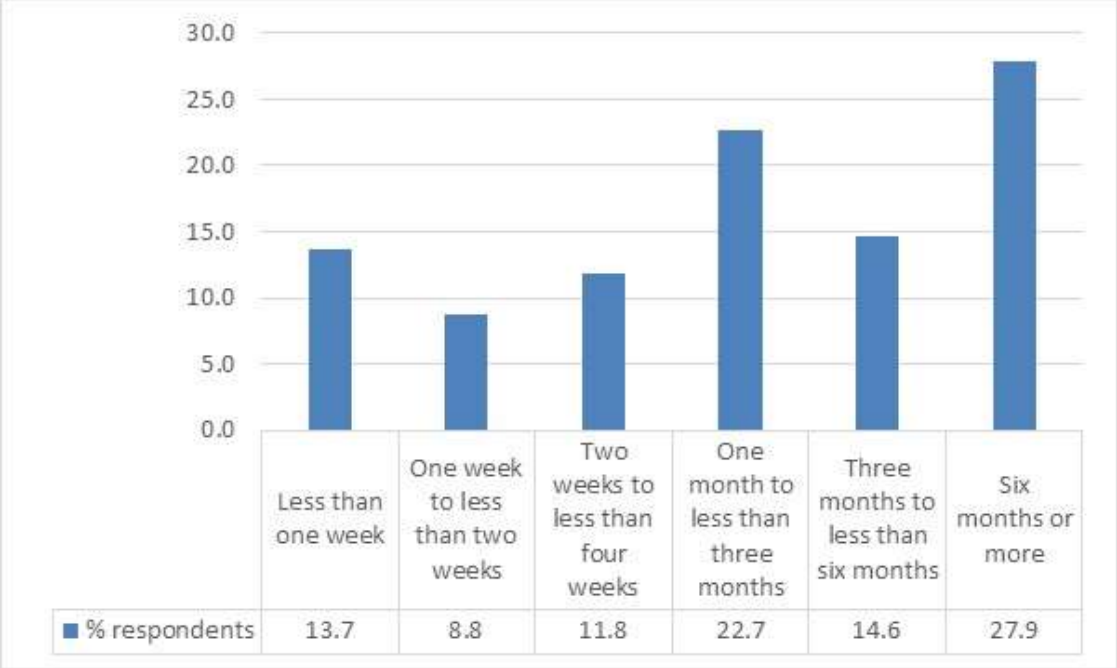


Figure 3.17: Length of time of most recent experience of homelessness.

Source: JSA 2022, based on General Social Survey 2016

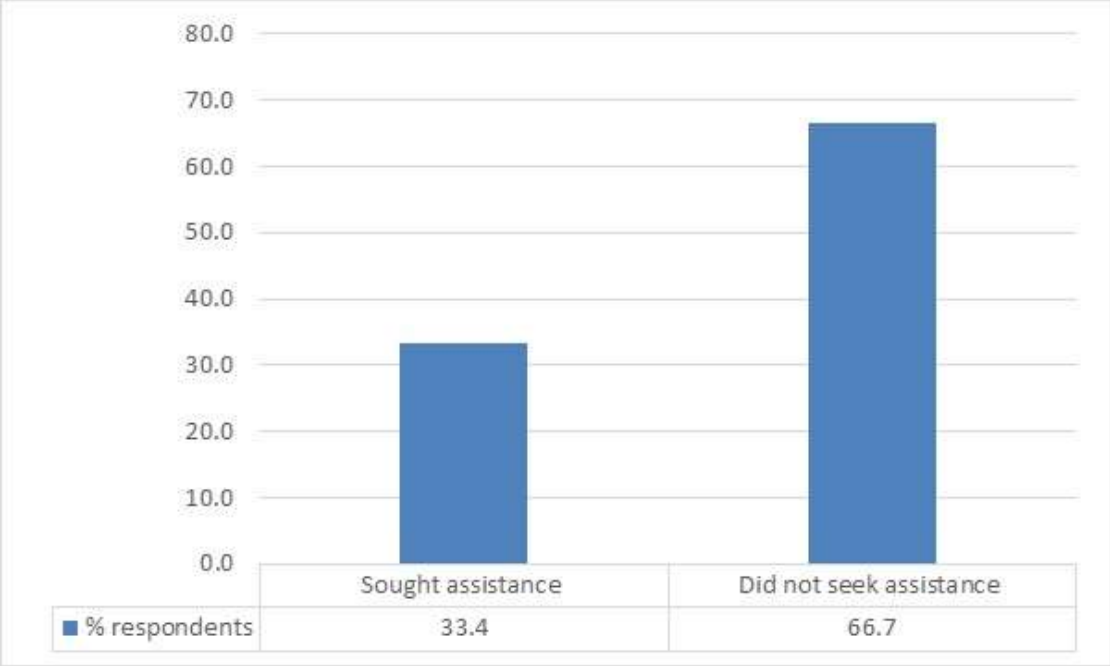


Figure 3.18: Whether sought assistance from service organisation(s) during most recent experience of homelessness.

Source: JSA 2021, based on General Social Survey 2016

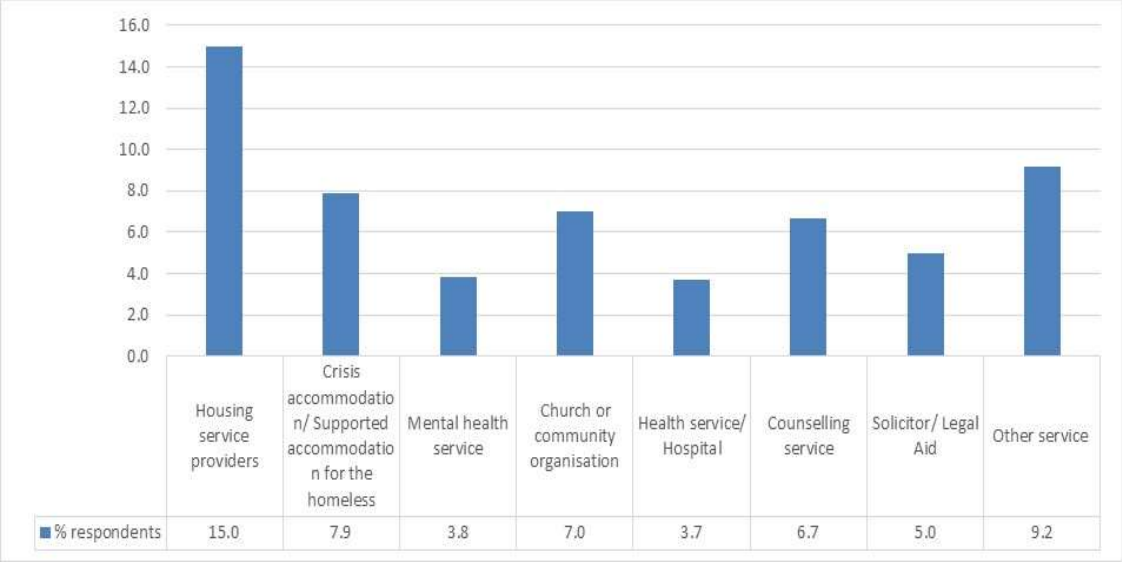


Figure 3.19: All types of service providers used during most recent experience of homelessness.

Source: JSA 2021, based on General Social Survey 2016

3.3.3 Profile of homelessness in QP LGA (2016)

ABS Census Data

At the 2016 Census,[15] ABS estimated there were 121 homeless people in Queanbeyan SA3, and an additional 126 people who were marginally housed, or 2.1 homeless people and 2.2 marginally housed people per 1,000 resident population.[16]

Major contributors to homelessness were people in supported accommodation for the homeless (n=52, 43%), people staying temporarily with other households (n=34, 28%) and people living in 'severely overcrowded dwellings' (n=17, 14%). Major contributors to marginally housed were people in other improvised dwellings (n=60, 48%) and people living in other crowded dwellings (n=59, 47%). By comparison, rates for NSW were 5.0 homeless people and 5.0 marginally housed people per 1,000 population, meaning that **Queanbeyan SA3's rate of homelessness was well below NSW averages in 2016**.

Equivalent rates in 2011 were 3.0 homeless people and 2.4 marginally housed people per 1,000 population for Queanbeyan SA3 and 4.0 homeless people and 3.9 marginally housed people per 1,000 population for NSW, suggesting that rates of homelessness and marginally housed people in Queanbeyan SA3 decreased between 2011 and 2016.

However, it is noted that consultations with key stakeholders interviewed in the preparation of this Background Report describe a significantly worsening situation for lower income renters and more vulnerable people over the past few years, and a considerable increase in the number and groups of people who are homeless. As such, this is **likely to be a significant underestimate of the extent and nature of homelessness at the present time.**

It is also noted that the above is an estimate of the number of people homeless or marginally housed on Census night 2016. However, the number of people experiencing homelessness in a year will be much greater, due to undercounting and the fact that the Census provides only a snapshot in time. An estimate of the **annual number** of homeless people in South Coast SA3 using homelessness duration data from the General Social Survey is **1,500 to 2,250 homeless people, with a best estimate of 1,875 homeless people in any given year.** Of these around 630 would be expected to seek assistance in total, 160 to obtain assistance from housing service providers and 90 to access crisis accommodation. This may represent repeat episodes of homelessness for some people, particularly those homeless in the short-term, so that this may be better thought of as homeless incidents in a given year.

It is further noted that many people counted as homeless on Census night are able to resolve their homelessness themselves with some assistance, for example, through staying with family or friends, or finding suitable private rental accommodation. However, people who have been homeless for three or more months are at serious risk of long-term homelessness. Considering duration data, this would be between 69 and 248 people who are at risk of entering long-term homelessness in the SA3 in any one year.

[15] 2021 Census data estimating homelessness was not available at the time of writing (August 2022).

[16] Usual resident population of Queanbeyan SA3 in 2016, was 57,333.

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A midpoint of 160 people would be a reasonable assumption of the minimum number of dwellings/places that would be needed to accommodate this group, or 170 dwellings/places accounting for ongoing growth of homeless people and general population. This would be a minimum target for people at risk of chronic homelessness in addition to people in housing stress as a measure of affordable housing need, as discussed elsewhere. All of these dwellings/places would be required in Queanbeyan-Palerang LGA.

3.4 Boarding Houses

At the time of the ABS 2016 Census,[17] no people in Queanbeyan-Palerang Regional LGA were enumerated in a 'boarding house or private hotel'. The NSW Office of Fair Trading Boarding House Register shows 3 general registered boarding houses, and one assisted boarding house, in the Queanbeyan-Palerang Regional LGA in 2022. These are:

- Benedict House, 39 Isabella Street Queanbeyan NSW (General)
- Glen Morton, 89 Morton Street Crestwood NSW (General)
- Kent Private Hotel, No 2 McQuoid Street Queanbeyan NSW (General)
- HOME in Queanbeyan, 284 Crawford Street Queanbeyan NSW (Assisted) – HOME in Queanbeyan provides long-term supported accommodation for twenty men and women with enduring mental illness. It features twenty self-contained residential apartments in a 'safe, loving, non-institutional setting'.[18]

Based on a 'rule of thumb' of 80% of median rent for a one-bedroom flat/unit, boarding house rooms/studio apartments in Queanbeyan-Palerang Regional LGA are expected to rent for around $280 per week as per the March Quarter 2022 ($350 for a median one bedroom flat/unit). An internet search conducted in 1 August 2022 showed only two boarding house rooms or similar (studio apartments) listed for rent in Queanbeyan area, both for $320 per week.

This means that a room in a more recently constructed, purpose built boarding house would be affordable to around 50% of low income key workers, and possibly some older retired couples, particularly where they had some superannuation to augment their aged pension. However, it would not be affordable to around half of low income workers, nor to most people on Centrelink payments if rented through the private market.

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[17] 2021 Census data counting boarding houses and other non-private dwellings was not available at the time of writing.

[18] Home in Queanbeyan website, https://homeqbn.org/, accessed 01/08/2022.



Figure 3.20: Studio apartment 27/25 Macquiod Street Queanbeyan - $320 p/w 1/8/2022
Source: domain.com.au, accessed 01/08/2022



Figure 3.21: Studio apartment 2/13-15 Gilmore Place, Queanbeyan - $320 p/w 1/8/2022
Source: domain.com.au, accessed 01/08/2022

3.5 Caravan/Residential Parks and MHEs

3.5.1 Demography of Caravan/Residential Parks and MHEs

The table below shows ABS (2016) Census data for people counted at home in Caravan/Residential Parks and Manufactured Housing Estates (MHEs) in Queanbeyan-Palerang LGA (permanent or long-term residents). At the time of the Census, around 56% (63 people) of the 113 people counted in Caravan/Residential Parks were permanent or long-term residents. There were no dwellings located in, nor people enumerated in dwellings located in, MHEs in the LGA at the time of the 2016 Census. Around 20% of residents lived in caravans and 80% lived in cabins.

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Table 3-7: Caravan/Residential Parks in Queanbeyan-Palerang LGA

	Total Persons at home	All Dwellings located in Caravan/Residential Park or camping ground
Caravan	12	20
Cabin, houseboat	51	57
Improvised home, tent, sleepers out	0	4
House, house or flat attached to a shop, office	0	0
Not stated	0	0
Total	**63**[19]	**80**

Source: JSA 2022, derived from ABS Census 2016

The following table shows selected demographic characteristics of the 63 people counted at home in Caravan/Residential Parks in Queanbeyan-Palerang Regional LGA compared with the total population in Rest of NSW.

In summary, this indicates a somewhat older, working population of people largely living on their own or in a family group (couples and one parent families with children).

The median age of residents of caravan parks in the LGA was much older, but only a slightly larger proportion of residents were aged 55 years or older, compared to Rest of NSW. Median household income of those counted at home in a caravan/residential park was higher than Rest of NSW, with labour force participation higher and no persons enumerated as unemployed. The predominant household type was lone person household, and there was a much lower than average rate of families with children – all of those enumerated were one parent families. There were no people counted at home in caravan/residential parks in the LGA with a need for assistance with a core activity.

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[19] Sum total of people enumerated at home in dwellings located in caravan/residential parks by structure type, ABS total given n=59.

Table 3-8: People Counted at Home in Caravan/Residential Parks in Queanbeyan-Palerang LGA compared with All People in Rest of NSW

	Queanbeyan-Palerang Regional LGA	Rest of NSW
Median Age	66	43
Proportion 55 years and over	37%	34%
Median Household Income	$1,361	$1,168
Labour force participation rate	68%*	55%
Unemployment Rate	0%	6.6%
Need for assistance with core activities	0%	6.8%
Household Type:		
Lone Person	73%	27%
Couple with no children	12%	29%
Household with children	15%**	39%
Group Household	0%	3%

Source: JSA 2022, derived from ABS Census 2016; *All enumerated as employed, 0 enumerated as unemployed. **All households with children enumerated at home in caravan/residential parks in Queanbeyan-Palerang LGA were one parent households.

3.5.2 Caravan parks in Queanbeyan area

There are four caravan parks identified in the Queanbeyan-Palerang LGA:

- Queanbeyan Riverside Caravan Park in Queanbeyan
- Crestview Tourist Park in Karabar
- Capital Country Holiday Park in Sutton
- Eaglehawk Holiday Park in Sutton

All four parks are advertised online as holiday/tourist parks.

The showgrounds at Bungendore and Braidwood allow casual camping and caravanning on powered and unpowered sites. The Bungendore showgrounds advertise a maximum stay of 7 days.

JSA contacted the four caravan parks by telephone in early August 2022. Three of the parks report that they do not offer or have any permanent sites.

The Crestview Tourist Park reports that stays on powered sites are capped at 56 days with a weekly tariff of $385. Stays in studio cabins may be for as 'long as the weekly rate is paid' which as at August 2022 was $700 per week. Even if this were long-term accommodation, it would not be affordable rental for any of the target groups.

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Eaglehawk Holiday Park offers medium term accommodation (up to 150 days) in its cabins, cottages and villas. Rates are reduced if the stay is for two weeks or longer at $350 per week for a 1 bedroom cabin, $660 per week for a 2 bedroom cottage and $700 per week for a 3 bedroom cottage. If a one bedroom cabin were available for long-term rental it would affordable to around 10% of low income households, and to all moderate income households. A two bedroom cottage would not be affordable to any of the target groups.

The Queanbeyan Riverside Caravan Park reports that the longest stay on any site is capped at 56 days. Weekly rates for a standard powered site are $285 or $315 depending on location of the site. There are no cabins, villas or cottages at this park. As such, the site would be affordable to most low income households for a short-term stay, although the resident would need to have their own caravan or mobile home.

The Capital Country Holiday Park reports that it has around 50 permanent residents who own their dwelling and pay weekly site fees of $130.70 plus electricity and gas. The Park notes that they are not involved in the sales of permanent dwellings, with residents advertising their own sales via real estate agents or websites of their choice. Site rental would be affordable to a very low income household, provided they had their own caravan or mobile home, and there was a site available, which is unlikely in the current housing market context.

Otherwise, the park offers short term accommodation (up to 28 days) across its other sites, villas and cabins. There are no weekly rates. Daily rates for villas and cabins range from $109 to $180 per night ($763 to $1,260 per week). An internet search revealed an MHE at the Capital Country Holiday Park currently under offer and advertised by LJ Hooker with a sale price of $260,000 (https://zango.com.au/sale/60-47-bidges-road-sutton-nsw-2620-61064/, accessed 10/08/2022). As such, this would not be affordable to any of the target groups, even as a short-term stay option.

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60/47 Bidges Road SUTTON, NSW 2620

$260,000 Calculate Repayments

Block size: 160m²

3 Bedrooms | 2 Bathrooms | 2 Parking

Mortgage Free, Beautifully Presented, Ideal Location

An amazing opportunity just 15 minutes to Gungahlin Town Centre, 25 minutes to Canberra CBD.
A superb 3 bedroom ensuite house on a reasonable-sized plot in the beautifully maintained and managed Capital Country Holiday Park complete with tennis courts, mini-golf, extensive childrens play areas, swimming pool, resort style barbecue area. This is a wonderful, safe and supportive community which offers excellent facilities.
The house is located in the heart of the owner-occupied area. It offers gas cooking in a convenient and work-friendly space, dishwasher, generous sized fridge space. Climate is controlled by split system RCAC. Hot water is continuous flow gas. Gas is centrally supplied.
Easy-care floor coverings of quality linoleum, carpet and tiles in the bathrooms. The house is well positioned on the block and allows winter sunshine to flood the living areas.
Call me now to book an inspection and an opportunity to discuss how you may secure it. $260,000 Cash will buy this wonderful residence.

LJ Hooker

LJ Hooker Gungahlin

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4 Planning, Funding & Policy Environment

4.1 Overview

This section provides an overview of the funding and policy environment as a context to effective strategic responses to growing affordability issues in the Queanbeyan-Palerang Regional Council area.

4.2 Federal Government

4.2.1 Overview

Housing policies of the Australian Government following the May 2022 election will be determined by the Parliament. During the election campaign, the policy platform presented by the Labor party led by Anthony Albanese included these key initiatives (applicable to QPRC) that it aims to deliver while in government.

- Create the **Housing Australia Future Fund** to create 30,000 social and affordable housing dwellings in five years.
- Create the **Help to Buy (Shared Equity Scheme)** to assist 10,000 households each year to purchase their first home where the Federal Government provides an equity contribution up to a maximum of 40% of the purchase price of a new home and up to a maximum of 30% of the purchase price for an existing home.
- Create the **Regional First Home Buyer Scheme** to assist 10,000 households in regional Australia each year (for two years) to purchase their first home in a regional area where Federal Government will provide a guarantee of up to 15% of the purchase price.
- Create a **National Housing Supply and Affordability Council** that will develop a National Housing and Homelessness Plan, expand the National Housing Finance and Investment Corporation (NHFIC) and rename it Housing Australia.

Each of these is looked at in more detail below.

4.2.2 Housing Australia Future Fund ($10 billion)[20]

The Federal Government will create a $10 billion Housing Australia Future Fund, which provides that each year its investment returns will be transferred to the National Housing Finance and Investment Corporation (NHFIC) to pay for social and affordable housing projects and some ongoing acute housing needs including:

- 30,000 new social and affordable housing in first five years, including:
    - 20,000 social housing properties – including 4,000 for women and children fleeing family violence and older women on low incomes at risk of homelessness.

[20] https://www.alp.org.au/policies/safer-and-more-affordable-housing, accessed 30/06/2022.

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- 10,000 affordable housing properties for 'frontline workers' like police, nurses and cleaners 'who kept us safe during the pandemic'.

- 'A portion' of investment returns will fund acute housing needs on an ongoing basis. In the first 5 years these investments will fund:
  - $200 million for repair, maintenance and improvements of housing in remote Indigenous communities;
  - $100 million for crisis and transitional housing options for women and children fleeing family violence and older women on low incomes at risk of homelessness;
  - $30 million for housing and specialist services for veterans experiencing or at-risk of homelessness.

4.2.3 Help to Buy (Shared Equity scheme)[21]

- The Help to Buy (Share Equity Scheme) will cost around $329 million over the forward estimates.
- The program will be open to 10,000 Australians each financial year.
- Eligible home buyers will need a minimum deposit of 2%, with an equity contribution from the Federal Government of up to a maximum of 40% of the purchase price of a new home and up to a maximum of 30% of the purchase price for an existing home.
- Eligibility requirements – Australian citizen; at least 18 years of age; $90k or less individual earning per annum or $120k for couples; purchased home to be the principal place of residence; not own other land or property; 2% deposit with remainder of purchase through a standard home loan with participating lender; responsible for all associated and ongoing costs.
- Property price cap for NSW – Rest of State $600k with max savings on new home purchase $240k and existing home purchase $180k (same cap and max savings for ACT).

4.2.4 Regional First Home Buyer Scheme[22]

- The Regional First Home Buyer Scheme is expected to start January 2023 and will cost $12.1 million to the end of 2024/25.
- The program will be open to 10,000 first home buyers a year in regional Australia.
- Provide government guarantee of up to 15% of the purchase price, first home buyer will save up to $32,000 in mortgage insurance and be able to secure a home with a deposit of 5%.
- Eligibility – live outside a capital city, Australian citizen over 18, first home buyer, live in home purchased, taxable income of up to $125k for singles and $200k for couples, have

[21] https://www.alp.org.au/policies/helping-more-australians-into-home-ownership
[22] https://www.alp.org.au/policies/regional-first-home-buyer-support-scheme

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been living in the region for at least 12 months, meet property price thresholds for the region under the existing First Home Loan Deposit Scheme.

- NSW – other (scheme geographic area that includes QPRC), property price cap $600k, maximum mortgage insurance saving $23,954.

4.2.5 Restoring Funding for Homelands and Improving Remote Housing

Not applicable to NSW.

4.2.6 National Housing Supply and Affordability Council[23]

The Federal Government plans to establish a National Housing Supply and Affordability Council to ensure the Commonwealth plays a leadership role in the creation of social and affordable housing. It will develop a National Housing and Homelessness Plan and expand the role and work of the National Housing Finance and Investment Corporation (NHFIC) and rename it Housing Australia. Housing Australia will be the home of the National Housing Supply and Affordability Council.

4.3 NSW Government provision and management of social and affordable housing (LAHC, DCJ)

4.3.1 Future Directions for Social Housing in NSW (2016)

There have been a range of NSW State Government initiatives to support the growth and maintenance of social and affordable housing that have been delivered under the **ten-year strategy**, *Future Directions for Social Housing in NSW (2016)*. The strategy has three main priorities:

- To increase the supply of social housing in order to address demand, including a waiting list that has grown to 60,000 households;
- To develop/provide more opportunities, incentives and/or support for people to avoid social housing altogether or to shorten their length of tenure by successfully transitioning into the private market; and
- To improve the social housing experience for tenants.

The first priority, to grow the supply of social housing, is to be achieved through 'significant expansion and redevelopment of stock through partnerships with private sector developers and finance' by:

- Transferring the management or ownership of 35% of social housing stock in NSW to the community housing sector;
- Introducing measures to ensure that social housing is better utilised to meet the needs of tenants (e.g., reducing under occupancy, improving allocations, and building new

[23] https://www.alp.org.au/policies/national-housing-supply-and-affordability-council

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dwellings that are smaller and more 'fit for purpose' including through the Communities Plus redevelopment program); and

- Providing $1 billion in 'ongoing financial support' through the Social and Affordable Housing Fund (SAHF) for development of new social and affordable housing undertaken by consortiums and partnerships involving community housing providers.[24]

There has been reasonable progress against these priorities by the NSW State Government over the past few years. However, it is understood that there has been limited funding and implementation of these initiatives in Queanbeyan-Palerang LGA.

Future Directions in regional and rural NSW

Importantly, *Future Directions for Social Housing in NSW* identifies that people living in regional and rural areas in NSW have different needs to those people living in urban areas, with 18 out of the 20 estates that were identified by the government as 'highly disadvantaged' being located in regional and remote areas.

Future Directions reports that a framework will be developed to focus on 'renewing and reconfiguring the regional portfolio' and 'expanding the types of houses built, including secondary dwellings and market testing other cost-effective housing delivery options, such as dual occupancy dwellings', and that:

- A program of acquisitions to replace existing stock and expand supply will be implemented in major regional centres which have good access to services and employment;
- Crown Land in rural and regional areas that may be suitable for the current and future needs of social housing will be identified under the Crown Lands Review; and
- Options for the use of shared equity loans will be investigated to help increase home ownership in regional areas where commercial lenders may be unwilling to take on the full mortgage risk, which could assist in freeing up the supply of private rental stock. [25]

There is the potential for Queanbeyan-Palerang LGA to benefit from these types of strategies, which are relevant for discussions and negotiation with NSW LAHC, as discussed later.

Private Rental Assistance Programs

DCJ provides a number of programs under the housing pathways program to assist eligible people to enter or remain in the private rental market[26] including:

- **Private Rental Subsidy** program that assists people to access affordable accommodation in the private rental market who meet social housing eligibility criteria, are approved for priority status on the NSW Housing Register, have a disability or are at risk in their current accommodation. The rental subsidy (capped at the median rent for Sydney middle ring suburbs) is set so that a tenant pays no more than 25% of their income plus Commonwealth

[24] NSW Government (2016) *Future Directions for Social Housing in NSW*, https://www.facs.nsw.gov.au/about/reforms/future-directions, accessed 22/04/2021.
[25] NSW Government, Future Directions for Social Housing in NSW, pg. 25,
[26] NSW DCJ, Help Renting in the Private Market, https://www.facs.nsw.gov.au/housing/help/ways/renting-private-market, accessed 23/04/2021.

Rental Assistance in rent. The situation of tenants is thus similar to those renting from a CHP.

- **Tenancy Guarantee** of up to $1,500 payable to landlords and real estate agents to cover possible rental arrears and/or property damage over and above the rental bond, intended to encourage private landlords and real estate agents to rent properties to people who are having difficulties entering the private rental market.
- **Brokerage Services** to assist with finding rental properties and entering into tenancy agreements.
- **Rent Choice** is a form of Private Rental Assistance (PRA) under Housing Pathways that supports households to access safe and affordable housing in the private rental market. It provides medium term financial assistance for up to three years for low to moderate income households, to enable them to secure and sustain a tenancy in the private rental market. The program assists clients to access support services, including training and employment opportunities, to build capacity to continue living independently after the Rent Choice assistance ends. It ensures that clients are supported in their transition to sustainable independence.[27]

We were unable to find any specific data for Queanbeyan-Palerang LGA.

Community Housing Innovation Fund[28]

The Community Housing Innovation Fund (CHIF) is a $150 million program to deliver social and affordable housing in collaboration with Community Housing Providers (CHPs) in NSW. This program will be delivered over two rounds from 2021 to 2023. Round 1 funding has been allocated to seven different CHPs to deliver 171 dwellings (108 social housing and 63 other types – affordable rent, affordable purchase and transitional housing) across the state. There are no funded projects identified for the QPRC area.

Additional CHIF Stimulus funding was announced in October 2021 for Social Housing economic recovery and Domestic and Family Violence economic recovery package. This funding has been allocated to a range of providers and services across NSW. There are no funded projects identified for the QPRC area.

The CHIF Round 2 tender is planned to open in January-February 2023 and will allocate the remaining $27 million of the program.

4.3.2 A pathway home: 2022-23 Housing Package

More recently, the Perrottet Government has announced a range of measures in line with existing policy directions.

Social and Affordable Rental Housing

In relation to **social housing**:

[27] NSW DCJ, Rent Choice Policy, 17 November 2020, https://www.facs.nsw.gov.au/housing/policies/rent-choice-policy, accessed 23/04/2021.
[28]https://www.facs.nsw.gov.au/reforms/future-directions/partner-with-the-nsw-government/community-housing-innovation-fund-chif/chapters/chif-funding, accessed 02/08/2022.

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- $300 million to upgrade 15,800 social homes.
- Together Home Program (May 2022) – continuation of additional homelessness support during COVID19 pandemic. $37 million in partnership with CHPs to provide 120 new social homes for rough sleepers.

In relation to **regional housing**:

- $174 million to deliver 270 new and refurbished homes for key workers 'like teachers and police in regional and remote communities.' This is in addition to $75million previously announced for health worker housing.

In relation to **Aboriginal housing**:

- $149.8 million to build 200 new and 260 upgraded homes for Aboriginal families.
- $67.2 million over four years to continue and expand the Strong Family, Strong Communities Program.
- $32 million additional funding for planning and infrastructure upgrades for Aboriginal communities.

Home ownership

There have also been a range of initiatives announced in relation to affordable home ownership. These include the following.

Proposed change to **NSW property tax system - First Home Buyer Choice**[29]including:

- First home buyers purchasing properties for up to $1.5 million will be able to choose to pay an annual property tax instead of stamp duty.
- Existing stamp duty concessions for first home buyers are available for purchases of up to $800,000, and these concessions will continue. The property tax option will be available for properties for up to $1.5 million.
- The Government intends that legislation to establish the property tax will be introduced into the NSW Parliament during the second half of 2022.
- There are income and asset eligibility requirements.

Shared Equity Scheme (two-year trial) including:

- 3,000 places available per year for two-year pilot of a Shared Equity Scheme.
- The government will contribute an equity share up to 40% of the property price for a new dwelling or 30% for an existing dwelling. The trial scheme is planned to begin in January 2023.
- The shared equity scheme will help single parents, older singles and first home buyer teachers, nurses and police to purchase their own home.
- Households eligible for the shared equity scheme can have a maximum gross income of up to $90,000 for singles and $120,000 for couples.

[29] https://www.nsw.gov.au/initiative/first-home-buyer-choice

DRAFT

- The maximum value of the property that can be purchased is $950,000 in Sydney and regional centres including Central Coast, Illawarra, Newcastle, North Coast and Lake Macquarie, and $600,000 in other parts of NSW.

Rent-to-buy including:

- NSW Land and Housing Corporation will lead a pilot rent-to-buy program to support eligible low-income earners, will be led by them in partnership with community housing providers.
- The scheme offers tenants a stable and affordable rental lease for a fixed period, allowing the household to accumulate savings. At the end of the lease tenants would have the opportunity to buy the property.

4.3.3 Land and Housing Corporation Portfolio Strategy 2040

The Land and Housing Corporation (LAHC) Portfolio Strategy sets a twenty-year vision and priorities to grow and change the State-owned housing portfolio in order to 'house more vulnerable people and families in better quality modern homes and improve our financial sustainability as a self-funded housing provider'.[30]

The strategy sets out why changes are needed and what the organisation will 'do more of, less of and differently' with a key focus on generating alternate funding to create new social housing through their broker role, new financing partnerships and building market homes to rent/sell to fund social projects; working in partnership with industry, CHPs and the Aboriginal Housing Office (AHO) to leverage and make the best use of public land and property; and importantly using local area strategies and portfolio analysis to inform decision making and in assessing impacts of decisions on portfolio value.[31] It would be useful to review any local area strategies and portfolio analysis that LAHC has undertaken for the LGA. Council could consider requesting this information from LAHC for the purpose of developing the Affordable Housing Strategy.

4.3.4 Covid-19 Stimulus Funding for Social and Affordable Housing

NSW Government reports that $250m in stimulus funding in the 2020/21 Budget was earmarked to accelerate delivery of new social housing homes by LAHC, including 298 new homes across 24 projects in regional areas. Moreover, $200m was allocated to accelerate repairs and maintenance and upgrade more than 3,500 social housing dwellings across NSW. We are not aware of any funding that was directed specifically to Queanbeyan-Palerang LGA. [32]

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[30] NSW LAHC, Portfolio Strategy 2020, December, https://www.dpie.nsw.gov.au/land-and-housing-corporation, accessed 27/04/2021.
[31] NSW LAHC, 2Portfolio Strategy 2020, December, https://www.dpie.nsw.gov.au/land-and-housing-corporation, accessed 27/04/2021, pp 2.
[32] NSW DPIE, Social and affordable housing and jobs created in regional NSW: Achievements and Activities
April 2019 to December 2020, March 2021,
https://www.dpie.nsw.gov.au/__data/assets/pdf_file/0004/365008/Regional-Achievements-Brochure-A4-10-MAR-2021.pdf, accessed 23/04/2021.

4.4 The NSW Planning Context

4.4.1 Affordable Housing support in EP&A Act and related policies

There are significant opportunities for local government to support the creation and maintenance of affordable housing through core planning legislation and policies in NSW compared to most Australian states. However, there are also constraints to action by local government, principally arising from its subordinate relationship to state government in Australia, its lack of planning autonomy, the prescriptive nature of the land use zoning system compared with other international jurisdictions like the UK, its constrained economic position and constraints to raising capital through debt financing.

Nonetheless, local government has an implicit role in affordable housing and an impact on affordability through land use zoning, controls, the timing of land release, location of services and facilities, and the levying of rates and development contributions. It can also choose to play a more proactive role in the creation and retention of affordable housing through active intervention in the market through the development of appropriate planning mechanisms and strategies, including under relevant provisions of the *Environmental Planning and Assessment Act 1979 (NSW)*.

4.4.2 Opportunities and constraints of principal legislation

Overview

Unlike some other Australian jurisdictions, where the principal planning legislation is silent on the matter of affordable housing, the *Environmental Planning and Assessment Act 1979 (NSW)* (the Act) has express provisions related to the delivery and maintenance of affordable housing (section 1.3(d)), and others which may be used to support such housing through the planning and approvals process. Accordingly, local government in NSW has roles and responsibilities related to affordable housing under planning legislation including state environmental planning policies (SEPPs). There are definitions and benchmarks related to 'affordable housing' in core legislation and related policy, particularly under the *State Environmental Planning Policy (Housing) 2021* (the Housing SEPP), discussed later.

Further, it is a requirement of the Act that a consent authority take into account the social and economic impacts of a development application as part of a merits assessment under s4.15(1)(b). This has obvious applicability to development applications that may result in the loss of affordable or low cost housing, such as low cost flats, boarding houses and caravan parks, as well as the assessment of the benefits of an application involving the creation of affordable housing, particularly where this is balanced against other factors as part of the merits assessment. The ability to seek mitigation for loss of affordable housing as part of conditions of consent is also possible under this head of consideration. A growing body of case law in the NSW Land and Environment Court related to social impacts is also relevant.

Likewise, a consent authority is required to consider whether a proposed development is in the public interest under s 4.15(1)(e), and a growing body of case law has likewise determined that it is in the public interest to give effect to the objectives of relevant legislation. It is relevant in this regard that the Act has as an objective 'the delivery and maintenance of affordable housing'

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(1.3(d)), as well as express provisions related to the levying and negotiation of mandatory and voluntary affordable housing contributions, discussed below.

As such, local government has a role and indeed a statutory responsibility to seek to preserve and create affordable housing through the planning and assessment process, notwithstanding limitations outlined above.

Affordable Housing Contributions

In June 2000, amendments were made to the Act to provide consent authorities with the power to require, as a condition of consent, the dedication of land free of charge or the payment of a monetary contribution for affordable housing in certain circumstances. Sections 7.32 and 7.33 were introduced to provide consent authorities with the express power to impose such conditions 'if a State Environmental Planning Policy (SEPP) identifies that there is a need for affordable housing within an area' and certain other conditions are met.

Until recently, the relevant SEPP for this purpose was *State Environmental Planning Policy 70 Affordable Housing (Revised Schemes)* (SEPP 70), which amended relevant local and regional environmental planning instruments to enabled the levying of development contributions to provide for affordable housing, but was limited to only a handful of planning schemes in inner Sydney.

Amendments to SEPP 70 in 2019 means that all Councils in NSW can now develop an Affordable Housing Contributions Scheme (AHCS) provided they are able to demonstrate 'affordable housing need' in accordance with DPE's *Guideline for Developing an Affordable Housing Contribution Scheme,* and 'economic viability' using the DPE's 'Viability Tool'.

More recently, the *Housing SEPP* brought together relevant housing SEPPS, including SEPP 70, under the one instrument. The relevant part for the purpose of the development of AHCSs and levying of contributions is Chapter 1 Affordable Housing: Part 1 Preliminary.

Voluntary Planning Agreements

Section 7.4 of the Act provides for the making of a voluntary planning agreement in relation to a proposed amendment to a planning instrument or development application. Under such a planning agreement, the developer is required to dedicate land free of cost, pay a monetary contribution, or provide any other material public benefit, or any combination of them, to be used for or applied towards a public purpose. 'Affordable housing' as defined in the Act is one of the listed 'public purposes'.

A planning agreement is generally advertised in conjunction with the development or rezoning application to which it relates, and forms part of the conditions of consent. A planning agreement is registered and runs with the title to the land, and is binding on, and enforceable against, the owner of the land from time to time as if each owner for the time being had entered into the agreement. The provisions also provide for administrative, reporting, review and other accountability requirements like other forms of development contributions, and may be used in place of or as well as levies with respect to other infrastructure under normal development contributions provisions of the Act. Importantly, a planning agreement does not have to demonstrate nexus between the development and the public purpose for which it was made.

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4.4.3 SEPP (Housing) 2021

Overview

The gazettal of the Housing SEPP in November 2021 brought together relevant SEPPS (SEPP 70, *SEPP Affordable Rental Housing 2009*, *SEPP (Housing for Seniors and People with a Disability) 2004, SEPP 21 (Caravan Parks)* and *SEPP 36 (MHEs)*) under the one instrument, and rationalised, amended and/or added to existing provisions.

It also introduced new types of development, and revises controls on a range of developments. Relevant types of developments facilitated by the SEPP are set out below, along with more relevant provisions, including their impact on the provision of affordable housing.

Affordable Housing

Requirements for Affordable Housing are set out in Chapter 2 of the SEPP. Section 1.4(1) of the Environmental Planning and Assessment Act defines affordable housing as "*housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument*".

Clause 13 of the SEPP defines a very low, low and moderate income household as a household that:

> *(a)(i) has a gross income within the following ranges of percentages of the median household income for Greater Sydney or the Rest of NSW—*
>
> *(A) very low income household—less than 50%,*
>
> *(B) low income household—50–less than 80%,*
>
> *(C) moderate income household—80–120%, and*
>
> *(ii) pays no more than 30% of the gross income in rent, or…*
>
> *(b)(i) is eligible to occupy rental accommodation under the National Rental Affordability Scheme, and*
>
> *(ii) pays no more rent than the rent that would be charged if the household were to occupy rental accommodation under the Scheme.*

The definition under clause 13(a) above is commonly referred to as social rent, with the rent being set by the tenant's income. The definition under clause 13(b) above is commonly referred to as affordable rent, as the rent is at a discount (no more than 80%) of market rent. In 2019, typical maximum income limits for eligible households under the National Rental Affordability Scheme (NRAS) were $51,398 for a single adult household, $71,061 for a two adult household and $105,161 for a couple household with two children.

Clause 7.32(1) of the *Environmental Planning and Assessment Act 1979* sets out requirements for conditions that require land or contributions for affordable housing. The section is applicable if "*a State environmental planning policy identifies that there is a need for affordable housing within the area*". Clause 14 of the SEPP identifies a need for affordable housing within each area of the State.

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Amongst other things, the contribution must be reasonable. The NSW Department of Planning, Industry and Environment has developed an affordable housing viability tool to assist Council's in calculating contribution rates that will not adversely impact on development, and assist in calculating an appropriate rate of contribution.

In-fill affordable housing

Clause 17 provides for an additional (bonus) FSR for residential development that will be used for affordable housing. Formulae for estimating the quantum of the bonus FSR are set out in clause 17.

There are a number of restrictions on the application of the bonus. These include:

- The development must be permissible under another instrument;
- At least 20% of the floor area will be used for the purposes of affordable housing.

In the Greater Sydney, Newcastle or Wollongong region, the development must be within an accessible area. An accessible area is defined by access to public transport, including within 800 metres of a railway station or ferry wharf, within 400 metres of a light rail station, or within 400 metres of a bus stop providing one service per hour between 6 am and 9 pm weekdays and 8 am and 6 pm on weekends.

In other areas, development must be within 400 metres of land zoned B1 Neighbourhood Centre, B2 Local Centre or B4 Mixed Use.

An addition incentive may be provided by lower rates of parking set out in clause 18, including, for example, 0.5 parking spaces for a two bedroom dwelling for a social housing provider and 1 parking space for a two bedroom dwelling otherwise.

The affordable housing component of the development must be used for affordable housing for 15 years, and must be managed by a registered community housing provider.

There are limited opportunities to use this part of the SEPP to provide incentives for delivery of affordable housing in Queanbeyan-Palerang LGA, as planning instruments typically do not rely on FSR as a development control, other than in B4 Mixed Use and B2 Local Centre zones under the Queanbeyan LEP 2012; and there is extensive use of the B3 zone in Queanbeyan that precludes these provisions.

Boarding Houses

Boarding houses are permissible with consent only where allowed under another planning instrument. In addition, boarding houses are only allowed in R2 Low Density Residential zones where:

- In the Greater Sydney region, the land is within an accessible area; and
- Otherwise, the land is within 400 metres of land zoned B2 Local Centre or B4 Mixed Use.

Where Residential flat buildings are permitted, an FSR bonus is available.

A range of development standards are set out. Notably, the Apartment Design Guide applies to developments of 3 or more stories, and minimum parking is 0.2 spaces per boarding room in an accessible area and 0.5 spaces otherwise.

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The boarding house must be used for affordable housing and managed by a registered community housing provider.

Boarding houses developed by Aboriginal Housing Office and Land and Housing Corporation have somewhat less stringent controls including being generally permissible in R2 Low Density Residential zones, subject to accessibility requirements, and can be carried out without development consent.

Supportive Accommodation

Supportive accommodation is allowed where residential flat buildings or boarding houses are permissible under another planning instrument, and is allowable without consent if delivery does not include erection, alteration or addition to a building.

Residential Flat Buildings

Public authorities or social housing providers can carry out development for residential flat buildings where they are not otherwise permissible on:

- Land in the Greater Sydney Region within 800 metres of a rail or light rail station; and
- Land zoned B3 Commercial Core or B4 Mixed Use within nominated regional centres, including Queanbeyan.

A site compatibility certificate must be obtained for development consent.

Car parking is not required for the portion used for affordable housing. Street frontages must not be used for residential purposes.

The development must be used for affordable housing for 15 years, 50% of dwellings must be used for affordable housing, and the affordable housing must be managed by a registered community housing provider.

Residential Development by AHO and LAHC

The Aboriginal Housing Office and Land and Housing Corporation can carry out a range of developments without consent.

Retention of existing affordable housing

Clauses 45 - 48 allows a consent authority to refuse development consent, or to collect a contribution for affordable housing where development will result in the loss of low rent accommodation.

Secondary dwellings

Construction of secondary dwellings is permissible with consent in a range of residential zones subject to meeting a range of standards set out in the SEPP.

Group Homes

Development for group homes carried out by or on behalf of a public authority and developments of less than ten bedrooms may be carried out without consent.

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Co-living housing

Co-living housing (similar to a boarding house) is allowable with consent where co-living housing, residential flat buildings or shop top housing is permissible.

Bonus FSR of 10% is available for this type of development. The requirement for parking is 0.2 spaces per room in an accessible area, and 0.5 spaces per room otherwise. The building must comply with the Apartment Design Guide if three storeys or more, and cannot be sub-divided. A range of development standards are set out in clauses 68 and 69.

Build to Rent Housing

Construction of build to rent housing for at least 50 dwellings allows the development of multi dwelling housing, residential flat buildings and shop top housing where residential flat buildings are permitted or in Zone B3 Commercial Core, B4 Mixed Use and B8 Metropolitan Centre. The building must be subdivided for 15 years. A range of development standards are set out, including reduced parking in the Greater Sydney Region and active street frontages in business zones.

Housing for seniors and people with a disability

Housing for seniors and people with a disability is permissible with consent in a wide range of zones including all residential and business zones, subject to providing adequate access to facilities and services. A range of development and design standards are set out. Housing for seniors and people with a disability includes self-care housing, hostel accommodation and residential care facilities.

Development by the Aboriginal Housing Office and Land and Housing Corporation is allowable without development consent.

Short term rental accommodation

Development for hosted short term rental accommodation is exempt development, and development for non-hosted short term rental accommodation is also exempt, and is subject to maximum usage of 180 days in a 365 day period in prescribed areas.

Manufactured home estates

Manufactured home estates are permissible where caravan parks are permissible with the exception of certain land including crown reserves and a number of LGAs, including Queanbeyan-Palerang.

Caravan parks

Caravan parks can be used for long term use, short term use or both. Manufactured homes are allowable within caravan parks, and subdivision is allowable, noting that the restrictions on caravan parks are much less onerous than the restrictions on manufactured home estates.

Temporary emergency accommodation

Development for the purposes of caravan parks or camping grounds for a period of use of five years may be carried out without consent if the development is a response to a natural disaster.

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4.4.4 NSW Housing Strategy

In May 2021, the NSW Government released *Housing 2041: NSW Housing Strategy* and the 2021-2022 Action Plan. *Housing 2041: NSW Housing Strategy* sets out 'a 20-year end-to-end housing strategy which covers everything from homelessness to home ownership' for the state for the first time.[33]

The issue of affordable housing is a priority of the Strategy, with 'Affordable Housing' listed as one of the four 'Housing System Pillars'.[34] The Strategy notes that apart from existing planning mechanisms already embedded at the local level, there is potential for NSW Government to increase the delivery of well-designed and well-located affordable housing across the state through:

- development of appropriate government-owned land for affordable housing;
- planning and development projects that encourage build-to-rent;
- new communal living models; and
- encouraging incentives to build affordable housing in mixed-tenure communities.[35]

The importance of the use of State Government land for affordable housing is emphasized at a number of points in the Strategy, noting that,

> …the NSW Government has an important role to play in the provision of social and affordable housing solutions, including through the use of government owned land. We know that safe, secure and affordable housing contributes to physical and mental health benefits and positive wellbeing outcomes. By investing in housing on government-owned land, we can deliver more social housing and improve housing affordability for our communities. Similarly, responses to homelessness have the potential to contribute to reduced healthcare costs, reduced crime and improved outcomes for employment or education opportunities. By providing more direct investment, the NSW Government can support transition pathways across the housing spectrum.[36]

The Strategy also aims to provide increased support for those most in need including by continuing to invest in the social housing portfolio, reducing social housing waiting times, supporting the community housing sector, providing ongoing support and programs to reduce homelessness and support those with complex needs, and by *'increasing the supply for affordable housing to meet agreed targets in both metropolitan and regional areas'*.[37]

The *Housing 2041: 2021-2022 Action Plan* details short-term actions to address and respond to the COVID-19 pandemic and recent environmental disasters (drought, bushfires and floods) against the five priority areas including:

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[33] NSW Department of Planning, Infrastructure and Environment, *Discussion Paper: A Housing Strategy for NSW*, May 2020, https://www.planning.nsw.gov.au/Policy-and-Legislation/Housing/A-Housing-Strategy-for-NSW, accessed 22/04/2021.
[34] NSW Department of Planning, Infrastructure and Environment (2021) Housing 2041: NSW Housing Strategy, p 9.
[35] NSW DPIE, *Housing 2041: Housing Strategy NSW*, pp 32.
[36] NSW Department of Planning, Infrastructure and Environment (2021) Housing 2041: NSW Housing Strategy, p 7.
[37] NSW DPIE, *Housing 2041: Housing Strategy NSW*, pp 26.

- Enabling access to and promoting the use of **data** and evidence-based decision making through co-ordinating access to housing data, enhancing the ePlanning program and cross-sector collaboration and coordination through improved access to NSW Government housing data and evidence;
- Providing planning, **regulation** and guidelines to support NSW Government housing objectives;
- Maximising the impact of **government owned land**, investment or assets and government-led development projects or funding to achieve the housing vision;
- Establishing a **research agenda** that invests in best practice and new ways of building and living, to promote innovation and delivery of effective housing solutions and to promote sustainable and energy efficient homes; and
- Working with **local governments and communities** to achieve the NSW Government housing objectives including collaboration to plan for and deliver housing.[38]

With regard to regional NSW, *Housing 2041* notes that short-term impacts of the COVID-19 pandemic have reduced affordability in some regional housing markets due to increased demand from people within metropolitan areas moving to regional areas but that the long-term effects are uncertain.[39]

The 2021-2022 Action Plan sets out a range of activities, many of which are relevant to a Councils and other proponents seeking to grow the supply of affordable housing. Some of these include:

- Establishing a Regional Housing Supply Monitor to provide a more reliable and consistent approach across the State to allow Councils and State Government to better plan for new services and align infrastructure investments with housing and employment opportunities (Action 1.2.2);
- Establishing a register of NSW Government land and assessing its suitability for housing outcomes that will be publicly available and allow stakeholders (like CHPs and others) to identify opportunities and submit proposals for the use of state-owned land for housing (Action 1.3.2 and Action 3.6.1);
- Finalising the Housing SEPP (Action 2.1.2, see sub-section 4.4.4 above);
- Investigate development of new sources of sustainable funding for affordable housing (Action 2.1.5);
- Undertake a review of key worker housing provision across NSW (Action 2.1.6);
- Implement proposed changes to the build to rent sector (Action 2.6.1);
- Partner with local governments, CHPs and developers to trial ways of facilitating temporary accommodation options for people experiencing homelessness (Action 2.6.2);
- Support on-going growth of CHPs (Action 3.1.1);
- Partner with councils to develop modern, fit-for-purpose social and affordable housing on LAHC land and support implementation of local housing strategies (Action 5.1.2);
- Support councils to explore potential use of under-utilised operational land for the purpose of housing (Action 5.1.3); and

[38] NSW DPIE, *Housing 2041: Housing Strategy NSW*, 2021-22 Action Plan, https://www.planning.nsw.gov.au/Policy-and-Legislation/Housing/A-Housing-Strategy-for-NSW.
[39] NSW DPIE, *Housing 2041: Housing Strategy NSW*, pp 4.

- Encourage all NSW councils to develop an affordable housing contribution scheme and seek changes to their LEP to capture affordable housing contributions under SEPP 70 (Action 5.2.1).

4.5 The Regional Planning Context

4.5.1 Regional Growth and Development

Queanbeyan-Palerang Regional Council area is part of the South East and Tablelands region for planning purposes.[40] The DPIE's *South East and Tablelands Regional Plan 2036* indicates that around 280,000 people currently live in the Region. The population of the region is projected to increase by 45,450 people between 2016 and 2036, mainly in places within commuting distance of Canberra and Sydney, in the strategic centres and along the coast. Across the Region, at least 28,500 new homes will be needed to meet population growth and change.

In terms of regional aspirations, the *Regional Plan* notes that, by 2036, more than 320,000 people will live in the Region, 'enjoying varied and distinct scenic landscapes from the highlands to the coast', with visitors seeking out 'vibrant arts and cultural experiences, as well as year-round recreation and adventure activities'.

It is also envisaged that the South East and Tablelands will be part of a 'borderless region with Canberra as the Metropolitan City at its heart'. As such, Canberra Airport is 'the catalyst for diverse growth opportunities for farmers and agricultural producers, who supply markets across Asia'. In terms of employment, people from across the region will 'access the jobs and services in the nation's capital', with the integrated relationship between the ACT and the South East and Tablelands as a unified 'Canberra region' offering a 'stronger, growing economy within Australia's most geographically diverse natural environment'.

Recognition of the importance of cross-border education, employment and higher order service access has led to a more innovative approach to the development of the *South East and Tablelands Regional Plan 2036*. It takes a cross-border approach to economic investment, infrastructure delivery, servicing provision and housing development. This will facilitate sustainable growth and optimise economic prospects.

Aboriginal Capacity Building, Choice and Empowerment

In line with Opportunity, Choice, Healing, Responsibility and Empowerment (OCHRE), the NSW Government's plan for Aboriginal affairs, which includes building the community's capacity, choice and empowerment to plan for their own future, there is an opportunity to review the landholdings of Local Aboriginal Land Councils to see how they can best be planned, managed and developed for the benefit of the local Aboriginal community. This will allow Aboriginal people to gain greater economic benefit from their land and increase opportunities for economic independence.

[40] NSW Government (2017) South East and Tablelands Regional Plan to 2036, https://www.planning.nsw.gov.au/Plans-for-your-area/Regional-Plans.

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Aboriginal Affairs NSW, the Department of Primary Industries and the Department of Planning, Industry and Environment will work with the Local Aboriginal Land Councils to identify their landholdings and map the level of constraint at a strategic scale for each site. This information can inform practical options for the potential commercial use of the land, such as Aboriginal housing and employment opportunities. It could provide economic returns to the Local Aboriginal Land Councils that can be invested in assistance programs in the region.

Housing Supply, Choice and Affordability

The *Regional Plan* notes that having a ready supply of well-located land for residential development will create downward pressure on house prices, maximise the use of existing infrastructure and protect environmentally sensitive areas. It notes that Local Housing Strategies need to consider community aspirations, be flexible and responsive to shifts in local housing markets for both greenfield and infill developments, and deal with unforeseen constraints, including uneven rates of development or unexpected population growth.

These strategies should plan for a range of housing choices, including retirement villages, nursing homes and opportunities to modify existing dwellings to enable people to stay in their homes as they age. The *Regional Plan* notes that by far the greatest increase in households to 2036 will be in lone person and couple only households, with a decreasing average household size (from an average of 2.9 ppd in 2016 to 2.2 ppd in 2036), so that an increase in well-located, adaptable dwellings will be critical.

The *Plan* reports that existing planning strategies show there is enough zoned land with development potential for the market to supply housing in a range of locations; and that the overwhelming need is for greater housing choice in existing centres to cater for the decrease in the average household size. The need for more affordable housing, including for an ageing population, is also noted.

It noted that 'focusing growth in existing centres rather than isolated land releases is a sustainable option because it takes advantage of existing job markets, commercial and retail opportunities, and infrastructure such as public transport'.

Of relevance to the forthcoming Affordable Housing Strategy, ***Direction 27: Deliver more opportunities for affordable housing***, notes that appropriate planning controls and incentives that can help deliver affordable housing include:

- affordable housing contributions to fund the provision of new housing by community housing providers;
- planning and development controls to facilitate affordable housing development by local community housing organisations;
- incentives to influence housing affordability include planning incentives, such as increases in density, and new generation boarding houses and secondary dwellings, such as granny flats.

Related Actions are listed as being to:

> 27.1 Deliver greater housing affordability by incorporating policies and tools into local housing strategies and local planning controls that will enable a greater variety of housing types and incentivise private investment in affordable housing.

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27.2 Facilitate greater housing diversity, including studios and one- and two-bedroom dwellings, to match forecast changes in household sizes.

4.6 The Local Planning Context

4.6.1 Queanbeyan-Palerang Local Environmental Plan 2020

The *Queanbeyan-Palerang Local Environmental Plan 2020* contains no specific aims related to affordable housing, although the following aims could be seen as broadly supportive of affordable and diverse housing:

cl 2(a) to protect and improve the economic, environmental, social and cultural resources and prospects of the community; and

cl 2(c) to provide for a diversity of housing to meet the needs of the community into the future.

There are a range of impediments to affordable and diverse housing in the LEP and/or relevant Development Control Plans, including related to parking requirements above actual ownership rates; requirements for ground floor commercial in Shop top housing in B3 and B2 zones, and extensive use of B3 zoning that precludes RFBs in Queanbeyan, and also restricts the operations of the Housing SEPP; height constraints in the R4 zone; ground floor open space requirements in RFBs; site area per dwelling in Multi dwelling housing and minimum lot size in the former Palerang areas.

This is discussed in more detail in Section 7.3 of this Background Report.

4.6.2 Towards 2040: Queanbeyan-Palerang Regional Council Local Strategic Planning Statement

Overview

The *Local Strategic Planning Statement* (LSPS) was adopted by Council in July 2020, and sets out the 20 year vision for land-use in the LGA.

The LSPS notes that the LGA is one of the fastest growing within regional NSW, so that it is imperative that Council has 'a clear vision of how we will sustainably plan for our future to ensure we preserve the things we value most whilst at the same time properly managing our growth'.[41]

It notes the importance of it environmental and lifestyle attributes and the need to balance future urban development with environmental considerations and rural lands for future agricultural production. The LSPS notes that the region will be defined by 'a hierarchy of attractive and well serviced townships that sit within scenic rural and environmental landscapes', with the distinct local character of these different settlements offering a range of lifestyle options.

The strategic importance of linkages with the Canberra housing, educational and labour markets is also noted as a key strategic opportunity, and that 'Queanbeyan-Palerang's position within a borderless Canberra region allows the realisation of excellent transport connections throughout

[41]Towards 2040: Queanbeyan-Palerang Regional Council Local Strategic Planning Statement, p 1.

DRAFT

the region that drive a strong economy, support great centres, and provide easy access to jobs for all'.[42]

Three main urban centres of Queanbeyan, Bungendore and Braidwood are identified, with key activities common to these centres being improved access to services and facilities, and rejuvenation of the town centre or CBD.

It notes that the LSPS is framed by a hierarchy of strategic documents, including the Act, SEPPs and *Regional Plan*, outlined above, noting that these documents all have as an objective or key action provision of affordable housing. In particular, Goal 4 Environmentally Sustainable Housing Choices of the Regional Plan is noted, specifically:

- Direction 24 Deliver greater housing supply and choice;
- Direction 25 Focus housing growth in locations that maximise infrastructure and services; and
- Direction 27 Deliver more opportunities for affordable housing.

The importance of the delivery of the vision for the LGA and relevant frameworks through the LEP, DCP, and other relevant local plans and strategies is also noted.

The LSPS sets out a vision and a range of key strategies for different areas of the LGA, with those most relevant to the forthcoming Affordable Housing Strategy being Queanbeyan and Surrounds including suburbs of Crestwood, Queanbeyan, Queanbeyan East, Queanbeyan West, Carwoola, Greenleigh, The Ridgeway, Karabar, Jerrabomberra and Googong), Bungendore and Braidwood.

Queanbeyan and Surrounds

The LSPS notes that Queanbeyan is the largest city in south eastern NSW, and offers access to higher order services and other urban resources such as health, education and employment opportunities. Although it has been a working town servicing the needs of a growing Canberra', the LSPS notes that it is 'transforming into a modern and dynamic city offering a distinct and attractive lifestyle to that available in the ACT'.[43]

The vision for Queanbeyan and Surrounds is that it will 'retain its point of difference to Canberra and respect its traditional roots', enjoying 'country living with city benefits'. Key aspirations relevant to the forthcoming Strategy include that, by 2040,

> *A variety of housing options will be available in distinct communities of Queanbeyan, Jerrabomberra and Googong. These will offer a range of housing types from new dwellings to existing homes in established areas. Additional opportunities for medium and higher density housing will also be available in areas close to important services.*[44]

Dwelling and population forecasts for Queanbeyan and Surrounds is provided in the LSPS, however, it is understood that these have been updated in the detailed projections by forecast area in more recent .id Consulting data.

[42] Towards 2040: Queanbeyan-Palerang Regional Council Local Strategic Planning Statement, p 5.
[43] Towards 2040: Queanbeyan-Palerang Regional Council Local Strategic Planning Statement, p 5.
[44] Towards 2040: Queanbeyan-Palerang Regional Council Local Strategic Planning Statement, p 5.

Relevant Planning Priorities include the following.

Planning Priority 2

4.2.1 Ensure new developments are provided with appropriate open space and play equipment including well designed shade.

4.2.4 Investigate allowing higher density development on land adjoining areas where such open space provides increased amenity and recreational opportunities

Planning Priority 3

4.3.3 Investigate opportunities for infill and mixed-use development where that provides additional forms of housing to suit the changing demographics of our communities.

4.3.7 Investigate opportunities for increasing densities in the city centre to reduce travel needs and promote reinvigoration.

Planning Priority 4

4.4.9 Provide a range of housing choices at different costs to meet the changing needs of the community and consider the options for community housing provider partnerships to provide affordable housing.

Planning Priority 9

4.9.8 Identify transport corridors including active transport for increased development densities while accounting for the protection of freight corridors.

Bungendore

The LSPS notes that **Bungendore** is a rural town with 'a strong visual setting on the open plain south of Lake George, bounded by significant ridges to the east, west and south'; and a 'clear divide between the rural landscape and the town'. Four roads converge on the town, linking it with Braidwood and the South Coast, Queanbeyan, Canberra, Goulburn and Sydney.

The vision for Bungendore in 2040 is for a 'vibrant town with a historic village character that attracts visitors and residents alike'. The 'country feel of single story houses on big blocks prevails', whilst the community also enjoys the Common/Turallo Creek corridor, which has been expanded to connect new residential areas to the north and eastern parts of Bungendore. The vision is also for increasing local employment opportunities in 'fit for purpose industrial and commercial areas that have ample parking and services to support the local town; and for a commuter rail service that 'allows Bungendore residents and visitors a fast, convenient and more sustainable alternative to private car use to access HQJOC, Queanbeyan and Canberra'. [45]

Relevant Planning Priorities include the following.

Planning Priority 2

4.2.4 Investigate allowing higher density development on land adjoining areas where open space provides increased amenity and recreational opportunities.

[45] Towards 2040: Queanbeyan-Palerang Regional Council Local Strategic Planning Statement, p 46.

DRAFT

Planning Priority 3

4.3.3 Investigate opportunities for infill and mixed-use development where that provides additional forms of housing to suit the changing demographics of our communities.

Planning Priority 4

4.4.9 Provide a range of housing choices at different costs to meet the changing needs of the community and consider the options for community housing provider partnerships to provide affordable housing.

Planning Priority 8

4.8.3 Review endorsed Structure Plans for main townships every five years and consider the need for the preparation of infill housing strategy.

Planning Priority 9

4.9.8 Identify transport corridors including active transport for increased development densities while accounting for the protection of freight corridors.

Planning Priority 10

4.10.5 Investigate housing and service needs to support additional aged population in Braidwood and Bungendore.

Braidwood

The LSPS notes that **Braidwood** is located on the Kings Highway, half way between Canberra and the South Coast and is 'the service town for the surrounding rural industries such as sheep and cattle grazing, mining and forestry operations'. It noted that the town 'retains a strong sense of its 19th century history' and is the only town in NSW to be listed on the NSW Heritage Register, including more than 150 buildings and structures of local heritage significance. The importance of its natural setting is also noted, with the town 'surrounded by rural landscapes and pristine natural areas' including the Monga, Budawang and Deua National Parks. [46]

The vision for Braidwood in 2040 is for continued protection of its high quality heritage environment while allowing for 'sympathetic growth that ensures suitable residential, business, industrial and recreational lands are available to meet the needs of the community'. It is also hoped that the town will be serviced by the necessary infrastructure to support additional work at home opportunities such as high speed internet connection, as well as continuing to be a service centre for the surrounding farming and extractive industries. [47]

Relevant to the forthcoming Strategy, Planning Outcomes for Braidwood include that '**Housing supply meets the growing and changing needs of the Braidwood community, including options for short-term, aged housing and caravan park accommodation'.** [48]

Relevant Planning Priorities include the following.

[46] Towards 2040: Queanbeyan-Palerang Regional Council Local Strategic Planning Statement, p 52.
[47] Towards 2040: Queanbeyan-Palerang Regional Council Local Strategic Planning Statement, p 52.
[48] Towards 2040: Queanbeyan-Palerang Regional Council Local Strategic Planning Statement, p 56.

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Planning Priority 3

4.3.3 Investigate opportunities for infill and mixed-use development where that provides additional forms of housing to suit the changing demographics of our communities.

Planning Priority 4

4.4.9 Provide a range of housing choices at different costs to meet the changing needs of the community and consider the options for community housing provider partnerships to provide affordable housing.

Planning Priority 9

4.9.8 Identify transport corridors including active transport for increased development densities while accounting for the protection of freight corridors.

Planning Priority 10

4.10.5 Investigate housing and service needs to support additional aged population in Braidwood and Bungendore.

4.6.3 Community Strategic Plan 2018-28

There are no explicit strategic statements or actions related to affordable housing in the *Community Strategic Plan*.

4.6.4 Bungendore Structure Plan

The Bungendore Structure Plan 2048 has the following key components:

- Delivery of an additional 1,384 dwellings between 2016 and 2041 to accommodate ongoing medium growth of 3.3% per annum, with the population projected to more than double over the period;
- Retention of the existing character of Bungendore village through focussing development on the conversion of rural land to residential land, and largely retaining the existing residential character of Bungendore, being single houses on large lots;
- Adopting a minimum lot size of 850 m^2.

4.6.5 Googong Local Planning Agreement

The Googong Urban Development Local Planning Agreement 2012 makes the following commitments:

- Affordable housing is defined as a house and land selling for $337,000 and indexed regularly in accordance with the *Cordell Housing Index Price*;
- Sets out a process for collecting and disbursing Development Contributions; and
- Sets out quotients for dwelling mix based on people per dwelling.

Under the Googong DCP Part 3, clause 3.22, 10% of total housing in Googong is to be provided as Affordable Housing (in the form of "Affordable Home Packages" as defined and indexed at a price determined within the current Voluntary Planning Agreement (VPA)).

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5 Housing Cost and Affordability

5.1 What is Affordable Housing?

Housing is generally considered to be 'affordable' when households that are renting or purchasing are able to meet their housing costs and still have sufficient income to pay for other basic needs such as food, clothing, transport, medical care and education.

'Affordable housing' also has a statutory definition under the *NSW Environmental Planning and Assessment Act 1979 (NSW)*, being housing for very low, low or moderate income households. *SEPP (Housing) 2021* defines 'very low-income' households as those on less than 50% of median household income; 'low-income' households' as those on 50-80% of median household income, and 'moderate-income' households as those on 80-120% of median household income for Rest of NSW.[49]

As a commonly used rule of thumb, affordable housing is taken to be housing where households pay less than 30% of their gross household income on housing costs. This is often regarded as the point at which such households are at risk of having insufficient income to meet other living costs, and deemed to be in 'housing stress'. Those paying more than 50% of gross income are regarded as being in 'severe housing stress'.

'Low cost' housing is often, though not always, 'affordable'. For example, in a premium location, even a small, lower amenity strata dwelling may be 'unaffordable' to a very low-, low- or moderate-income household.

The following table provides benchmarks that are used in this policy when referring to 'affordable housing', in **March Quarter 2022 dollars**, and are consistent with relevant NSW legislation.

It can be seen from the table below that, for rental to be 'affordable' under statutory definitions, rental costs would need to be less than $223 per week for a very low income household, between $224 and $356 for a low income household, and between $357 and $534 for a moderate income household as per the **Rest of NSW benchmarks**.

Table 5-1: Affordable Housing Income, Rental and Purchase Benchmarks – Rest of NSW

	Very Low Income Household	Low Income Household	Moderate Income Household
Income Benchmark	<50% of Gross Median Household Income for Rest of NSW	50%-80% of Gross Median Household Income for Rest of NSW	80%-120% of Gross Median Household Income for Rest of NSW
Income Range (2)	<$742 per week	$743-$1,187 per week	$1,188-$1,781 per week
Affordable Rental Benchmarks (3)	<$223 per week	$224-$356 per week	$357-$534 per week
Affordable Purchase Benchmarks (4)	<$255,000	$255,001-$406,000	$406,001-$610,000

Source: JSA 2022, based on data from ABS (2021) Census of Population and Housing, ABS (2022) Consumer Price Index, indexed to Mar Quarter 2022 dollars, ANZ Home Loan Repayment Calculator https://www.anz.com.au/personal/home-loans/calculators-tools/calculate-repayments/

[49] Rest of NSW is NSW less the greater Sydney area, i.e., regional NSW.

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(1) All values reported are in March Quarter 2022 dollars

(2) Total weekly household income

(3) Calculated as 30% of total weekly household income

(4) Calculated using ANZ Loan Repayment Calculator, using 05 July 2022 interest rate (3.94% pa) and assuming a 20% deposit for a 30 year ANZ Standard Variable Home Loan and 30% of total household income as repayments.

5.2 Why is Affordable Housing important?

There is a common misconception that 'affordable housing' refers only to social (public or community) housing. However, many residents facing affordability problems in the Queanbeyan-Palerang LGA are likely to fall outside the eligibility criteria for such housing or be unlikely to access it due to long waiting times.

Anyone in the community could need affordable housing. This includes a young person seeking to live near where they grew up, a recently separated or divorced person with children for whom conventional home ownership may no longer be economically viable, households dependent on one (or even two) low or median waged, key worker jobs, or an older person on a reduced retirement income, including after the death of a spouse.

Lack of affordably priced housing affects the quality of life of individual families, who may be sacrificing basic necessities to pay for their housing. It also has a serious impact on employment growth and economic development. The loss of young families and workers in lower paid essential service jobs can adversely affect local economies, which is contributing to labour shortages in some regions of NSW. The displacement of long-term residents reduces social cohesion, engagement with community activities (such as volunteering), and extended family support.

As well as impacting on the health and wellbeing of low income families, and older and younger people, this can contribute to a lack of labour supply among 'key workers' who are essential to various services including childcare, aged services, health care, tourism, hospitality and emergency services, but whose wage increasingly does not allow them to access rental or purchase housing close to where they work. Affordably priced housing is thus an important form of community infrastructure that supports community wellbeing and social and economic sustainability, including a diverse labour market and economy, and strong and inclusive communities.

Finally, the location of affordably priced housing is a key issue in terms of social equity and sustainability. Providing a mix of affordably priced housing for different target groups in well-located areas provides for social mix and reduces the potential stigma that can be associated with such accommodation. Locating such housing close to transport and services also provides for the needs of key groups including those with a disability and the frail aged, and reduces car dependency and the cost of transport, which can be a significant impost on very low, low and moderate income households[50] and on the environment.

[50] See for example Gleeson, B. and Randolph, B. (2002) 'Social disadvantage and planning in the Sydney Context', in *Urban Policy and Research Vol. 20(1) pp101-107;* and Kellett, J. Morrissey, J. and

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5.3 What are the types of 'Affordable Housing'?

'Affordable housing' **products** include the full range of housing for various target groups. This can include housing that is **subsidised** in some way, from special needs accommodation such as group homes and social (community and public) rental housing for those most disadvantaged in the housing market; to 'key worker' (discount market rent) housing, and assisted or subsidised purchase for households who still need some assistance to enter the home ownership market. In *some* areas or housing markets, it also includes housing **delivered through the private market**, typically smaller, lower cost accommodation such as boarding houses, smaller apartments, secondary dwellings and the like.

Social housing and special needs accommodation generally requires 'deep subsidies' to be affordable, and rent is tied to a proportion of income (generally no more than 25-30% for a very low or low-income social housing tenant). Affordable housing for moderate-income households including groups like key workers is generally offered at a discounted rate on the rent that would normally apply (typically around 70-80% of market rent); or as subsidised purchase, shared equity and the like for moderate-income purchasers. The latter groups generally do not need such large subsidies for their housing to be 'affordable' compared with people who would normally qualify for social rental housing, for example, where deep subsidies will generally be required.

Increasingly, a mix of income groups will be accommodated in the same affordable housing development, along with housing provided on the open market, as part of 'mixed tenure' developments.

It should be remembered that only around 5% of dwellings are social rental or special affordable housing products, and that these are generally tightly targeted. As such, the private market constructs the vast amount of housing, so that reducing the cost and increasing the affordability of private rental and purchase housing is an import part of providing for the housing needs of low- and moderate-income households, as well as those on very low incomes who would not be eligible for social housing.

The following table provides an overview of the types of **affordable rental housing** most relevant to the Australian market and policy context.

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Karuppannan, S. 2012. 'The Impact of Location on Housing Affordability', *Presentation to 6th Australasian Housing Researchers Conference,* 8-10 February 2012, Adelaide, South Australia.

Table 5-2: Types of Affordable Rental Accommodation

AFFORDABLE RENTAL ACCOMMODATION	
Social Rental Housing:	
• General	Rental housing provided through the public or community sector where rental costs are generally no more than 25% of gross household income. Social renters are generally on very low-incomes and will often have other special needs. Stringent eligibility criteria (including income and asset tests) generally apply.
• Special needs accommodation	Housing for target groups incl. aged persons, Aboriginal people, people with disabilities, youth and homeless people. May be provided with support agreements with service providers, or as supported group homes, managed communities or other forms of supported accommodation.
• Boarding Houses	Generally multiple single occupants, generally with their own room and sometimes ensuite or other private amenities, with shared or communal facilities, on site management and house rules. This is generally provided in one building, though it may be configured in multiple facilities. May also be provided through the market as private lodging or boarding houses, lower cost private hotels, student accommodation, etc.
• Public Housing	Social housing owned and/or managed by a public authority (NSW Department of Communities and Justice - DCJ).
• Community Housing	Social housing owned and/or managed by a Registered Community Housing Provider (CHP). Much of the growth in social housing is likely to be achieved through such providers in the future, either through stock transfers from NSW DCJ, government grants or their own revenue raising and development programs.
• Aboriginal Housing	Aboriginal housing is housing owned by the Aboriginal Housing Office. DCJ or community housing providers manage Aboriginal housing on behalf of the Aboriginal Housing Office. DCJ manages most properties with tenancy conditions similar to those of public housing.
Co-Operative Housing	Housing owned and/or managed by a tenant co-operative on a not-for-profit basis. May be provided within one complex, or as dispersed dwellings. Often formed on the basis of some common need or issues, e.g. women's, disability, Aboriginal or student co-operative.

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Discount Market Rental Housing in perpetuity	Sometime referred to as 'key worker housing', an effective rental subsidy is provided on the market rental that would otherwise apply (generally discounted by 20-30%). Generally, most appropriate for moderate-income households, but may also make rental affordable to low-income households, depending on the local market. Generally owned and/or managed by a Registered Community Housing Provider. Such housing has been developed, for example, using the National Rental Affordability Scheme (NRAS).
Time limited Discount Market Rental Housing	An offset is provided to the developer (e.g. additional density, taxation rebate or other subsidy) to provide rental accommodation at typically 80% of market rent to moderate income households for a limited period, typically 10 years. The actual or effective subsidy offsets additional financing costs to the developer, whilst there is an opportunity for additional profit or capital gain at the end of the period for which it must remain 'affordable housing'. Such housing has been developed, for example, using the National Rental Affordability Scheme (NRAS) and/or SEPP (Affordable Rental Housing) 2009.
Private Rental through the Market	Dwellings provided through the market that can be rented for less than other dwellings due to savings related to construction materials or methods, amenity, size or development standards or the local housing market ('lower cost housing'). This private rental housing may also be 'affordable' to very low, low- or moderate-income households, *provided* it meets the income and housing cost benchmarks set out in **Table 5.1** above.

Source: JSA 2015, derived from various sources

The following table provides an overview of the types of **affordable purchase products** most relevant to the Australian market and policy context.

Table 5-3: Types of Affordable Purchase Housing

AFFORDABLE PURCHASE ACCOMMODATION	
Rent-To-Buy Products	Rent-to-buy schemes are typically a form of vendor finance, where a purchaser may pay a small deposit and more than market rent, with the balance going towards paying off the home. Ownership remains with the vendor until the transaction is complete.[51] Other schemes operated by public or community sector housing providers have provided for all or a portion of rent normally paid to go toward building up equity in the home. This has included sale to sitting tenants.
Shared-Equity Products	The cost of purchase is shared with an equity partner (preferably a public or community-housing provider). Housing is kept 'affordable' in perpetuity through contractual arrangements (e.g. secured through a deed of sale and/or covenant against title) that provides for buy-back by the equity partner at an appropriate share of equity and capital gain when the low- to moderate-income purchaser wants to sell. The share is then sold to another purchaser who needs affordable housing. Alternatively, when the dwelling is sold, the sale price, including any capital gain, is split between the equity partners. Other states including WA have a more developed sector than

[51] Consumer protection agencies, such as NSW Fair Trading publish warnings against such schemes where they are operated privately (as distinct from schemes offered by a social housing provider).

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AFFORDABLE PURCHASE ACCOMMODATION	
	NSW in this regard (e.g. through GoodStart (general and for those with a disability), and Aboriginal shared equity scheme).
Property Covenants	Similar to shared-equity in that the title is covenanted to ensure either resale to the sponsoring agency at an affordable price, or sale to others at an affordable price, thereby ensuring that a 'windfall' profit is not gained by the first subsidised purchaser.
Land Trusts	The land is owned by an organisation, such as a community housing provider, who leases the land to an occupier, with the occupier constructing a house on the land. There are often additional opportunities for the occupier to contribute sweat equity to the construction of dwellings. Alternatively, the land might be sold at a lower price, with a covenant requiring sale back to the sponsoring organisation. The effect of such arrangements is to keep the purchase and repayments cost lower than would be the case if the full cost of land were included, and to maintain the housing as affordable housing in perpetuity.
Assisted Purchase	Where there is some other mechanism that provides support or assistance to enter the home purchase market. This is more advanced in some states than in NSW. For example, the WA Department of Housing's *Keystart* program provides low deposit loans to low to moderate income purchasers to purchase 100% of a property. Other approaches involve support for the prospective buyer to bridge the deposit gap through provisions of low interest deposits, or provision of finance on a sliding scale for interest or repayments.
Private Market Housing	Dwellings provided through the market that can be purchased for less than other dwellings due to savings related to construction materials or methods, amenity, size or development standards. This private market housing may also be 'affordable' to low- or moderate-income households, *provided* it meets the income and housing cost benchmarks set out in **Table 5.1** above.

Source: JSA 2015, derived from various sources

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5.4 Comparative Housing Cost (Rental & Purchase)

5.4.1 Overview

This section provides an overview in the change in the real cost of housing (rental and purchase) for indicative housing products from September Quarter 2017 to March Quarter 2022 for Queanbeyan-Palerang LGA compared with NSW (the smallest scale and longest timeframe for which this published data is available). The data is adjusted for inflation to March Quarter 2022 dollars.

This provides a context to the affordability discussion below, and also provides an understanding of relative demand for selected housing products, including during more recent events such as the COVID 19 pandemic.

In summary, although rents for flats and units have historically been well below the NSW average (which is strongly influenced by Greater Sydney), there has been a convergence in these rents over time, particularly since early 2020, which is likely influenced by increased movement out of Sydney to regions like QP LGA. Importantly, there were insufficient rentals of one and two bedroom units in areas like Bungendore and Braidwood for data to be reported. In contrast, rent on separate houses has historically been more expensive than the NSW average in the LGA, with local rents increasing at a higher than average rate over the past two years.

In terms of purchase, the cost of strata dwellings has remained relatively flat in real terms over the past five years, and is cheaper than the NSW average, although this is likely due to the relative age and amenity of much of the strata available in the LGA that would influence the median price. It is again noted that there were insufficient strata sales outside Queanbeyan and surrounds for DCJ to report data. The trends of separate houses are quite different, with prices and rates of increase in the LGA closely mirroring the NSW average, and a steep increase in real sale prices over the past two years.

The results of JSA's regression analysis, discussed later, indicate strong price growth over the past two years, with around a 22% and 40% real growth in sales price for houses and strata dwellings respectively over the period, controlling for other factors, including dwelling and lot size and amenity of dwelling. Vacant land had increased by almost 30% in real terms over the past 2 years, controlling for land area.

5.4.2 Comparative Rents & Change Over Time (2017-2022)

Comparative Median Rents March Quarter 2022

Apart from PC 2620 (Queanbeyan and Surrounds) there were generally insufficient one and two bedroom flats and units for data to be reported by DCJ. In the case of this post code area, units had considerably higher rents than the regional NSW average, but were much lower than NSW rents, which are strongly influenced by the Greater Sydney Housing market. This was similar for the LGA, noting that most of the units rented would likely be in PC 2620.

The situation was quite different for separate houses, where a house in the LGA as well as in PC 2620 and particularly in PC 2619 Jerrabomberra were considerably more expensive than both the

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regional and NSW median rents. It is also noted that there were again insufficient houses for rent in Braidwood and Bungendore for data to be reported by DCJ, as shown below.

Table 5-4: Median Rents for 1 & 2 B/R Units and 3 B/R Houses for Selected Areas (March Quarter 2022)

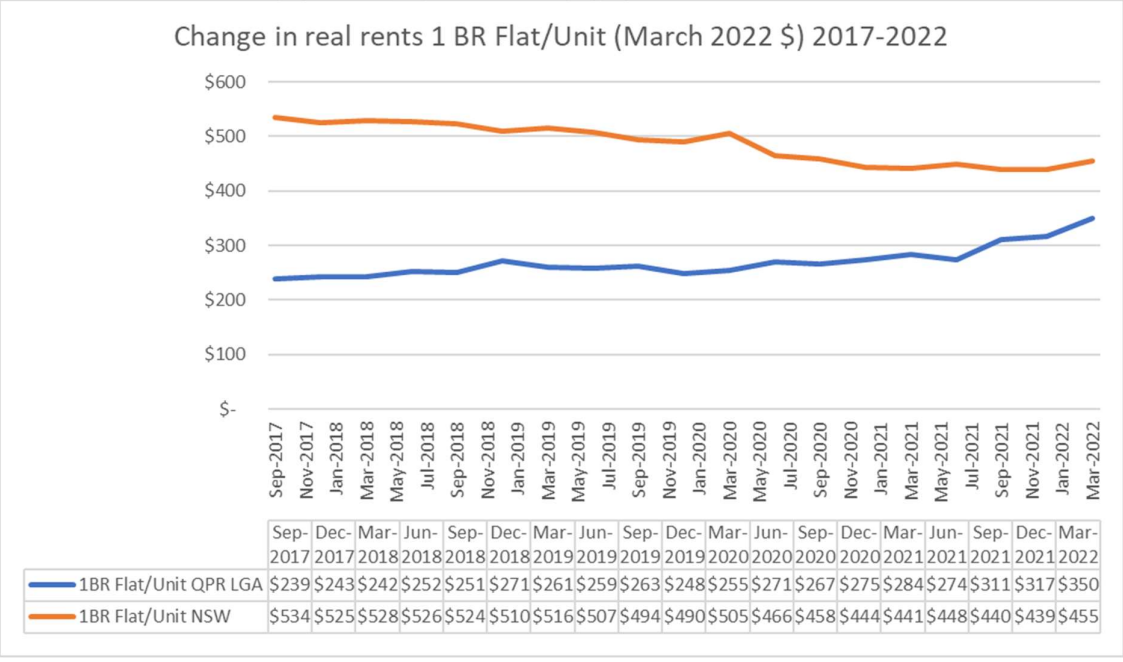
Location	Median Weekly Rent: 1 B/R UNIT	Median Weekly Rent: 2 B/R UNIT	Median Weekly Rent: 3 B/R HOUSE
	$	$	$
PC 2619 – Jerrabomberra	-	-	690
PC 2620 – Queanbeyan & surrounds	350	415	590
PC 2621 – Bungendore & surrounds	-	-	-
PC 2622 – Braidwood & surrounds	-	-	-
Queanbeyan-Palerang LGA	350	420	600
Rest of State	270	340	435
NSW	455	500	510

Source: NSW Department of Communities and Justice Rent Tables March 2022 Quarter (Issue 139), s = 30 or fewer bonds lodged during quarter, - = 10 or fewer bonds lodged.

1 BR Flat/Unit Change in Real Rent 2017-22

The rent for a one bedroom unit in the LGA has historically been far lower than for NSW. However, these have been gradually converging since at least 2017, with local rents quite flat in real terms and a decrease in rents for NSW, which is strongly influenced by the Greater Sydney market.

There has been a more rapid convergence in rents since late 2021, with NSW relatively flat and local rents increasing more steeply, likely related to local constraints in supply including in the context of changes in working and residential patterns arising from COVID 19.



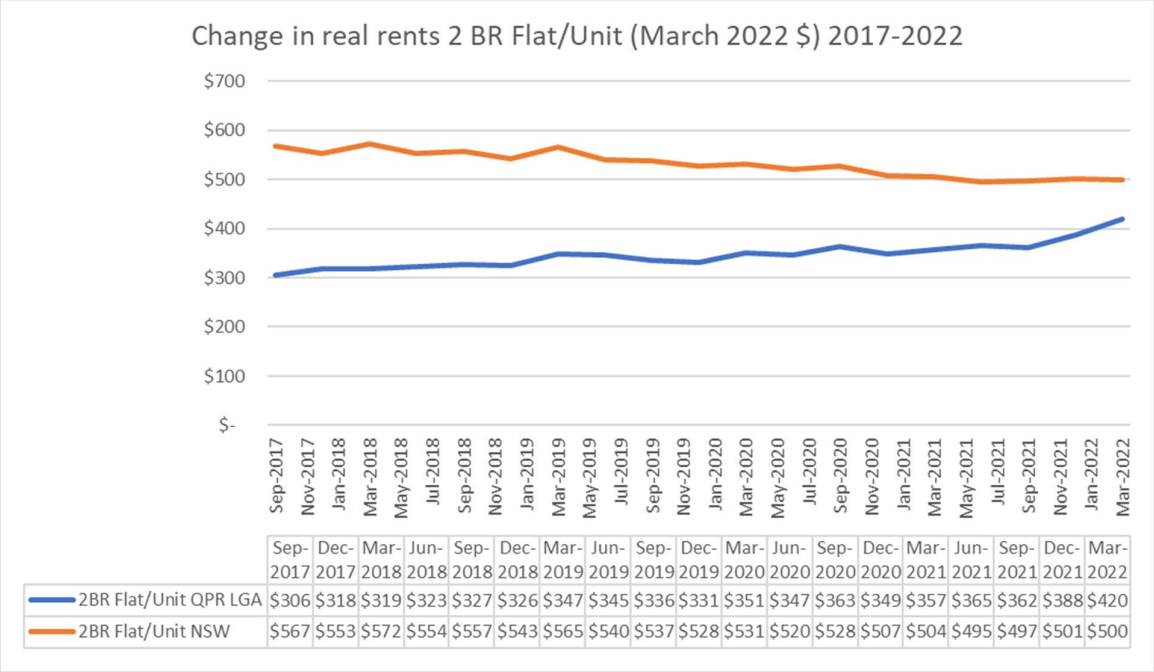
	Sep-2017	Dec-2017	Mar-2018	Jun-2018	Sep-2018	Dec-2018	Mar-2019	Jun-2019	Sep-2019	Dec-2019	Mar-2020	Jun-2020	Sep-2020	Dec-2020	Mar-2021	Jun-2021	Sep-2021	Dec-2021	Mar-2022
1BR Flat/Unit QPR LGA	$239	$243	$242	$252	$251	$271	$261	$259	$263	$248	$255	$271	$267	$275	$284	$274	$311	$317	$350
1BR Flat/Unit NSW	$534	$525	$528	$526	$524	$510	$516	$507	$494	$490	$505	$466	$458	$444	$441	$448	$440	$439	$455

Figure 5.1: Change in real rents 2017-2022 (March Quarter 2022 $), Median 1 BR Flat/Unit, Queanbeyan-Palerang LGA and NSW

Source: JSA 2022; DCJ Rent and Sales Reports 2017-2022

2 BR Flat/Unit Change in Real Rent 2017-22

A similar trend to that reported for one bedroom units above is evidenced for two bedroom units, although there has been an ongoing and gradual increase in rent for the LGA, and a steeper increase from late 2021 compared with ongoing gradual decline in real rents for NSW, again noting that this is strongly influenced by the Greater Sydney market.



	Sep-2017	Dec-2017	Mar-2018	Jun-2018	Sep-2018	Dec-2018	Mar-2019	Jun-2019	Sep-2019	Dec-2019	Mar-2020	Jun-2020	Sep-2020	Dec-2020	Mar-2021	Jun-2021	Sep-2021	Dec-2021	Mar-2022
2BR Flat/Unit QPR LGA	$306	$318	$319	$323	$327	$326	$347	$345	$336	$331	$351	$347	$363	$349	$357	$365	$362	$388	$420
2BR Flat/Unit NSW	$567	$553	$572	$554	$557	$543	$565	$540	$537	$528	$531	$520	$528	$507	$504	$495	$497	$501	$500

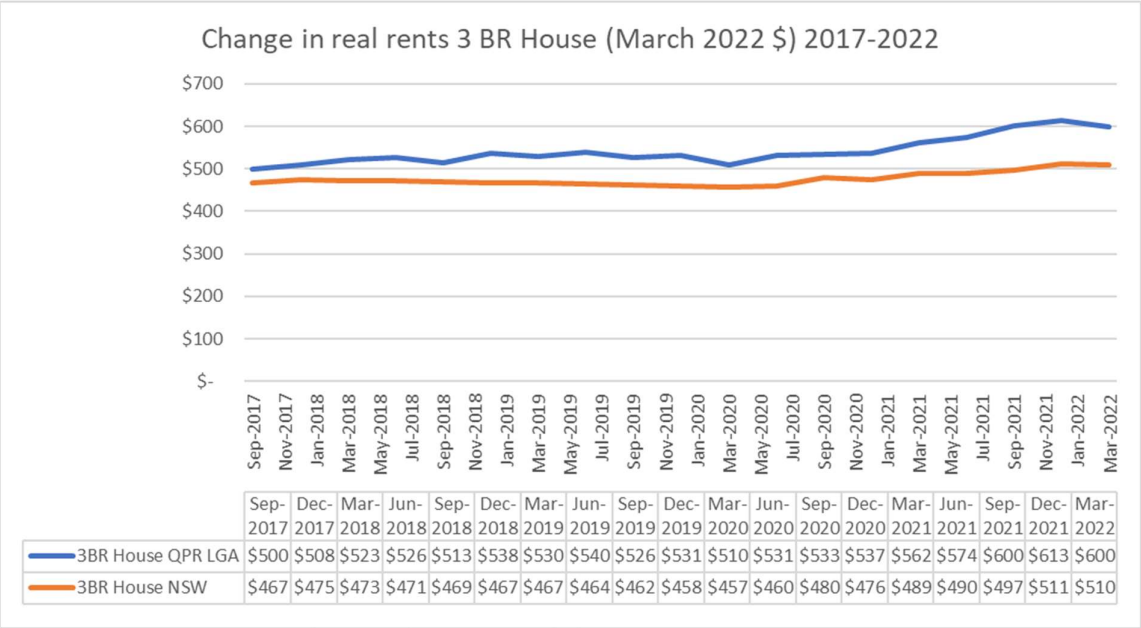
Figure 5.2: Change in real rents 2017-2022 (March Quarter 2022 $) Median 2 BR Flat/Unit, Queanbeyan-Palerang LGA and NSW

Source: JSA 2022; DCJ Rent and Sales Reports 2017-2022

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3 BR House Change in Real Rent 2017-22

Unlike rents for units, the rent for a three bedroom house has historically been higher in the LGA than for NSW. Rent for houses gradually fell in NSW from September 2017 to July 2020, from which time is has continued to rise gradually. Local rents were quite flat with some volatility until March 2020, when they began to steadily rise to the most recent quarter for which data is available. Again, it possible that some COVID 19 effects are apparent in this, although it may also be the nature of stock that is being constructed and general constraints in rental supply.



	Sep-2017	Dec-2017	Mar-2018	Jun-2018	Sep-2018	Dec-2018	Mar-2019	Jun-2019	Sep-2019	Dec-2019	Mar-2020	Jun-2020	Sep-2020	Dec-2020	Mar-2021	Jun-2021	Sep-2021	Dec-2021	Mar-2022
3BR House QPR LGA	$500	$508	$523	$526	$513	$538	$530	$540	$526	$531	$510	$531	$533	$537	$562	$574	$600	$613	$600
3BR House NSW	$467	$475	$473	$471	$469	$467	$467	$464	$462	$458	$457	$460	$480	$476	$489	$490	$497	$511	$510

Figure 5.3: Change in real rents 2017-2022 (March Quarter 2022 $) Median 3BR House, Queanbeyan-Palerang LGA and NSW

Source: JSA 2022; DCJ Rent and Sales Reports 2017-2022

5.4.3 Comparative Purchase & Change Over Time (2017-2021)

Comparative Median Sales Price (Rent & Sales Report Dec Quarter 2021)

The purchase cost of strata dwellings in the LGA was substantially lower than for regional NSW and particularly NSW, with the latter strongly influenced by the Greater Sydney housing market. This is likely related to the nature of supply in the LGA, with flats and units tending to be older and of lower amenity in areas around Queanbeyan and Queanbeyan East suburbs and so influencing the median, and noting that there were insufficient sales in other areas for data to be reported by DCJ.

However, median houses prices in the LGA were well above the regional NSW average and comparable with the NSW median. PC 2619 which includes Jerrabomberra was particularly expensive, as shown below.

Table 5-5: Median Sales Price for Strata & Non-Strata Dwellings (Dec Quarter 2021)

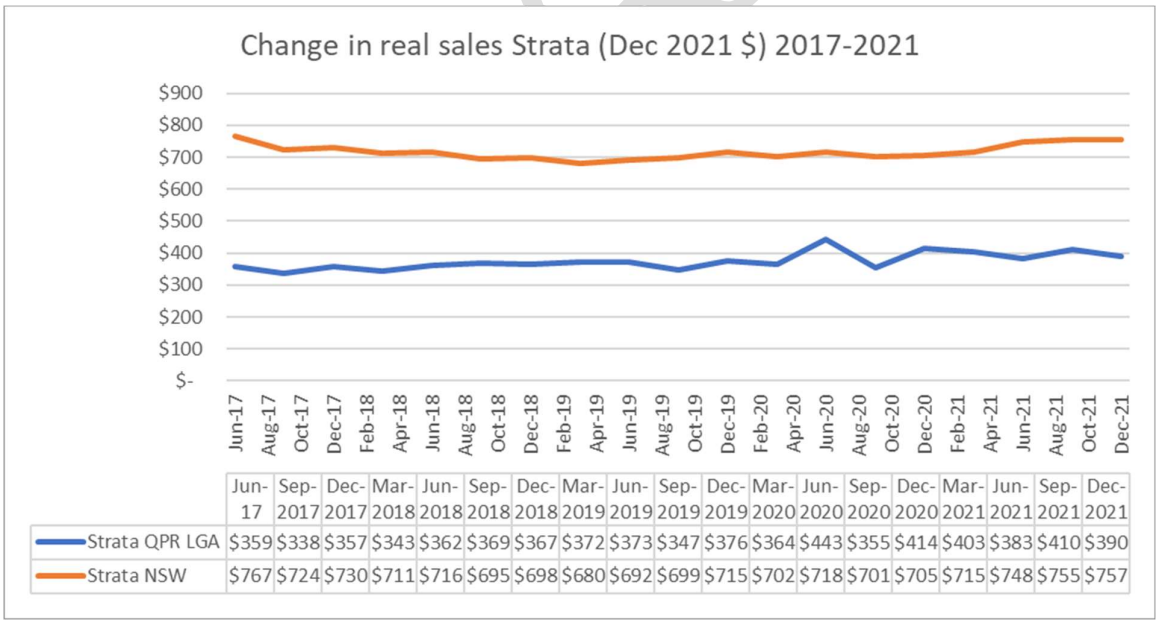
Location	Median Sales Price $'000 STRATA	Median Sales Price $'000 NON-STRATA
2619 – Jerrabomberra	No data	1200
2620 – Queanbeyan & surrounds	365	958
2621 – Bungendore & surrounds	No data	1000
2622 – Braidwood & surrounds	No data	640
2623 – Captains Flat	No data	-
Queanbeyan-Palerang LGA	390	945
Rest of State	535	600
NSW	757	955

Source: JSA 2022, based on data from NSW Department of Communities and Justice Sales Tables Dec Quarter 2021

Strata Dwellings Change in Real Purchase Price (Rent & Sales Report 2017-21)

Overall, the purchase cost of strata dwellings in NSW has been relatively flat from 2017 to December 2021, with some volitivity over this period, and sales prices slightly lower in real terms at the end of 2021 compared with mid-2017 (-1% overall).

In contrast, there has been an increase of 8% in real terms of the purchase price of strata dwellings in the LGA, again likely indicating some supply constraints compared with NSW overall.



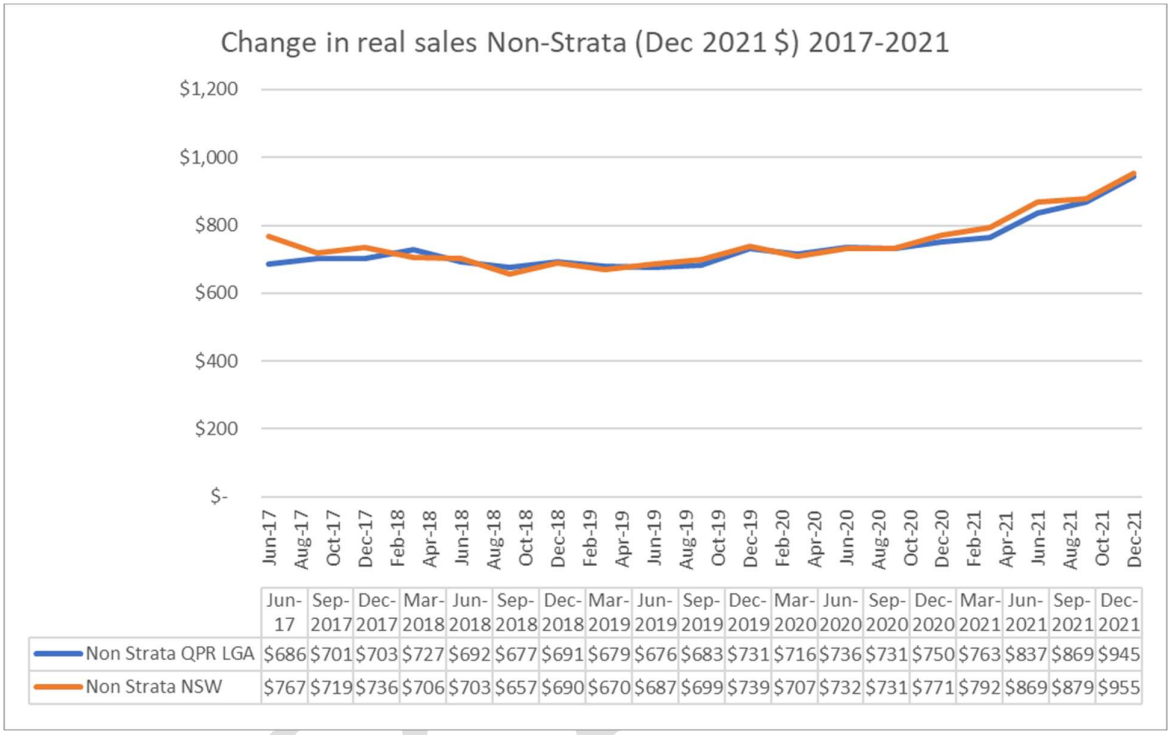
	Jun-17	Sep-2017	Dec-2017	Mar-2018	Jun-2018	Sep-2018	Dec-2018	Mar-2019	Jun-2019	Sep-2019	Dec-2019	Mar-2020	Jun-2020	Sep-2020	Dec-2020	Mar-2021	Jun-2021	Sep-2021	Dec-2021
Strata QPR LGA	$359	$338	$357	$343	$362	$369	$367	$372	$373	$347	$376	$364	$443	$355	$414	$403	$383	$410	$390
Strata NSW	$767	$724	$730	$711	$716	$695	$698	$680	$692	$699	$715	$702	$718	$701	$705	$715	$748	$755	$757

Figure 5.4: Change in real sales 2017-2021 (Dec Quarter 2021 $'000) Median Strata QP LGA & NSW

Source: JSA 2022; DCJ Rent and Sales Reports 2017-2021

Non-Strata Dwellings Change in Real Purchase Price (Rent & Sales Report 2017-21)

Interestingly, real increases in the purchase price of local non-strata dwelling (generally separate houses) from mid-2017 to the end of 2021 closely tracked those in NSW overall, with each experiencing stronger than historical price growth from around September 2020, and overall growth of 38% for the LGA compared with 25% for NSW from 2017-21.



	Jun-17	Sep-2017	Dec-2017	Mar-2018	Jun-2018	Sep-2018	Dec-2018	Mar-2019	Jun-2019	Sep-2019	Dec-2019	Mar-2020	Jun-2020	Sep-2020	Dec-2020	Mar-2021	Jun-2021	Sep-2021	Dec-2021
Non Strata QPR LGA	$686	$701	$703	$727	$692	$677	$691	$679	$676	$683	$731	$716	$736	$731	$750	$763	$837	$869	$945
Non Strata NSW	$767	$719	$736	$706	$703	$657	$690	$670	$687	$699	$739	$707	$732	$731	$771	$792	$869	$879	$955

Figure 5.5: Change in real sales 2017-2021 (Dec Quarter 2021 $'000) Median Non-Strata, Queanbeyan-Palerang LGA and NSW

Source: JSA 2022; DCJ Rent and Sales Reports 2017-2021

EAC RedSquare Regression Analysis

A further analysis of RedSquare sales data has been carried out to understand the impact on prices of various factors such as location, number of bedrooms and lot size, with the results of the analysis shown in more detail below.

In summary, JSA's analysis show that there have been even more significant increases in the real purchase price of housing in the LGA in the past 2 years (since mid-2020), controlling for factors such as dwelling size, amenity, site area and location.

For **separate houses**, JSA's modelling suggests **annual increases of 11%** when adjusting for variables acting as proxies for the quality of housing, and noting that price increases with additional bedrooms, bathrooms and site area.

For **strata dwellings**, real prices have risen significantly from mid-2020, with **annual increases of about 20%** over the period. Price increases with additional bedrooms and additional bathrooms.

This is discussed in more detail later.

5.5 Comparative Affordability of Housing

5.5.1 Overview

This section looks at the relative ***affordability*** of various rental and purchase products delivered through the private market, that is, whether very low, low and moderate income households would be paying more than 30% of their gross household income on housing costs in accordance with the statutory definition and benchmarks set out in **Table 5.1** above. It is important to understand the extent to which the market is providing, or can potentially provide, affordably priced housing for key target groups so as to evaluate the extent to which market intervention through the planning system is required, and the most effective types of intervention. Further, the vast majority of housing is delivered through the market, so that understanding its capacity to deliver affordability in the local context is crucial.

5.5.2 Rental Affordability

Rent and Sales Report

The NSW Department of Communities and Justice *Rent and Sales Report* provides quarterly data on the cost of rental by LGA and post code area. The following is relevant with regard to the most recent quarter available at the time of writing (March 2022) in postcode areas postcode 2619 (Jerrabomberra), postcode 2620 (Queanbeyan and surrounds), postcode 2621 (Bungendore and surrounds), postcode 2622 (Braidwood and surrounds), postcode 2623 (Captains Flat)[52] and the Queanbeyan-Palerang LGA.

The following tables shows the affordability of rental properties by different housing types (three-bedroom house, one-bedroom flat/unit and two-bedroom flat/unit) in these areas compared with the benchmark areas of Rest of State and NSW for the March Quarter 2022.

There were no rental dwelling types that were affordable to a very low income household in Queanbeyan-Palerang LGA from the published data.

Rental dwellings in the Queanbeyan-Palerang LGA, when looking at postcode areas within the LGA, were generally affordable to moderate income or higher earning households only.

Although **one bedroom flats and units** in the 2620 postcode of Queanbeyan and surrounding suburbs were just affordable to the upper 5% of low income households, this likely reflected the influence of older flats in Queanbeyan and Queanbeyan East. A third quartile one bedroom unit was only affordable to moderate income households, and this is more likely to reflect newer stock, so that there is in reality likely to be no affordability of even this housing product for low income renters in the future. It is also noted that there was virtually no supply of one bedroom units elsewhere in the LGA.

Very low and low income households were likewise unable to affordably rent a median rent **two bedroom apartment;** although a third quartile two bedroom apartment could be affordably rented

[52] Note that data for postcode 2623 (Captains Flat) is only available for houses and total dwellings.

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by a moderate income household, again noting that this is likely to reflect newer stock. There was insufficient two bedroom apartments rented in other parts of the LGA for data to be reported.

A **moderate-income household** could affordably rent a third quartile one-bedroom flat/unit and all two-bedroom flat/units (first, median and third quartile) in the 2620 postcode and LGA.

Three-bedroom houses were affordable to **higher income households only** across all areas within the LGA. As such, moderate income families with children would generally be unable to rent affordably in the LGA.

As such, there is a serious affordability problem for very low and low income renters in the Queanbeyan-Palerang LGA, and particularly outside of postcode 2620 Queanbeyan and surrounds, such as in Bungendore and Braidwood, where there are no flat/units and very few dwellings for rent.

Key to Tables:

Affordable to very low-income households (<$223 per week)
Affordable to low-income households ($224-$356 per week)
Affordable to moderate-income households ($357-$534 per week)
Affordable to higher-income households only ($535 or more per week)

Table 5-6: March Quarter 2022 Rent Report for 1 & 2 BR Flats/Units in Postcodes 2619, 2620, 2621, 2622, Queanbeyan-Palerang LGA, Rest of State and NSW by affordability bands

Location	# B/Rs	First Quartile Weekly Rent for New Bonds $	Median Weekly Rent for New Bonds $	Third Quartile Weekly Rent for New Bonds $
2619 – Jerrabomberra	1	-	-	-
2620 – Queanbeyan & surrounds	1	320	350	390
2621 – Bungendore & surrounds	1	-	-	-
2622 – Braidwood & surrounds	1	-	-	-
Queanbeyan-Palerang LGA	1	320	350	395
Rest of State	1	205	270	350
NSW	1	370	455	534
2619 – Jerrabomberra	2	-	-	-
2620 – Queanbeyan & surrounds	2	380	415	470
2621 – Bungendore & surrounds	2	-	-	-
2622 – Braidwood & surrounds	2	-	-	-
Queanbeyan-Palerang LGA	2	380	420	480
Rest of State	2	270	340	420
NSW	2	400	500	650

Source: NSW Department of Communities and Justice Rent Tables March 2022 Quarter (Issue 139), s = 30 or fewer bonds lodged during quarter, - = 10 or fewer bonds lodged.

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Table 5-7: March Quarter 2022 Rent Report for 3 BR Houses in Postcodes 2619, 2620, 2621, 2622, Queanbeyan-Palerang LGA, Rest of State and NSW by affordability bands

Location	First Quartile Weekly Rent for New Bonds $	Median Weekly Rent for New Bonds $	Third Quartile Weekly Rent for New Bonds $
2619 – Jerrabomberra	660	690	700
2620 – Queanbeyan & surrounds	535	590	660
2621 – Bungendore & surrounds	-	-	-
2622 – Braidwood & surrounds	-	-	-
2623 – Captains Flat	-	-	-
Queanbeyan-Palerang LGA	543	600	690
Rest of State	365	435	520
NSW	430	510	635

Source: NSW Department of Communities and Justice Rent Tables March 2022 Quarter (Issue 139), s = 30 or fewer bonds lodged during quarter, - = 10 or fewer bonds lodged

Snapshot of Rental in the Major Centres of Queanbeyan-Palerang LGA

A search on www.Domain.com.au was conducted in the weeks commencing 6 June and 4 July 2022. This is reported in detail in Appendix A.

In the week commencing 4 July, there were only 62 properties for rent in the whole of the LGA, with 35 (57%) of these in Queanbeyan SA2, with most of these strata dwellings. The three SA2s that make up Queanbeyan area (including Crestwood and Jerrabomberra) made up 70% of advertised rental properties.

Eleven (18%) were in Googong SA2, and most of these were 4+ bedroom houses. There were few rentals in other key areas, including Braidwood and Bungendore, and all properties advertised for rent were houses.

The findings of the rental snapshots largely validates the analysis from published data from the Rent and Sales report above with regard to the shortage of supply of more diverse stock outside of Queanbeyan and surrounds, as well as the lack of affordability for very low and low income renters. It also supports the consultations with local real estate agents, reported elsewhere, about a vacancy rate that is close to zero at the time of interview.

Although a studio apartment in Queanbeyan SA2 was affordable to low income households, there was only one available at the time of the rental snapshot.

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Table 5-8: Median rentals for strata and non-strata properties x bedroom x SA2

Dwelling Type	# B/Rs	Queanbeyan SA2 (inc. Crestwood)		Queanbeyan East SA2		Queanbeyan West-Jerrabomberra SA2		Karabar SA2		Googong SA2		Bungendore SS		Braidwood SS		TOTAL
		$	# Props	$	# Props	$	# Props	$	# Props	$	# Props	$	# Props	$	# Props	# Props
Strata	Studio	250	1	0	0	0	0	0	0	0	0	0	0	0	0	1
	1	350	8	0	0	0	0	320	1	465	2	0	0	0	0	11
	2	420	13	420	1	525	1	0	0	0	0	0	0	0	0	15
	3	570	7	0	0	0	0	0	0	0	0	0	0	0	0	7
Non-Strata	2	480	1	0	0	0	0	0	0	0	0	495	1	0	0	2
	3	630	2	710	1	700	1	650	1	0	0	660	1	530	1	7
	4+	750	3	0	0	850	4	0	0	840	9	775	3	0	0	19
TOTAL			**35**		**2**		**6**		**2**		**11**		**4**		**1**	**62**

Source: JSA (2022) derived from survey of all advertised properties for rent on www.Domain.com.a

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5.5.3 Social Housing Waiting Times for Queanbeyan (as at June 2021)

Public Housing

Expected waiting times for a social dwelling in DCJ's Allocation Zones of Queanbeyan as at June 2021 (the most recent publicly available data) are also an important indicator of affordable housing need, in this case, amongst those eligible for social (public and community) housing.

For the Queanbeyan Allocation Zone, expected waiting times for all dwelling types are 5 to 10 years. As at 30 June 2021, there were 304 applicants on the waiting list for the Queanbeyan allocation zone (91% general and 9% priority applicants).[53]

Expected waiting times for general applicants	S009 Queanbeyan
Expected waiting time for a studio/1-bedroom property	**5 to 10 years**
Expected waiting time for a 2-bedroom property	**5 to 10 years**
Expected waiting time for a 3-bedroom property	**5 to 10 years**
Expected waiting time for a 4+ bedroom property	**5 to 10 years**



Figure 5.6: Social housing waiting times for Queanbeyan Allocation Zone as at June 2021
Source: DCJ website, https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times, accessed 07/06/2022.

Community Housing

The following table has been adapted from data provided by Argyle Housing with regard to a breakdown of the common waiting list for social (public and community) housing by area and dwelling need.

It can be seen that more than 60% of need is for one bedroom dwellings and a further 30% of need is for two bedroom dwellings (more than 90% in total), which also validates findings in relation to the high unmet need for such dwellings by very low and low income renting households more generally. Virtually all of the applications relate to the Queanbeyan area, although this is likely due to the fact that there is no identified social housing in Bungendore, and only a handful of such dwellings in Braidwood.

[53] Department of Communities and Justice, Expected Waiting Times, https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times, accessed 07/06/2022.

Table 5-9: Breakdown of Waiting List for Social Housing by Type and Area

	Queanbeyan area			Bungendore	Braidwood		
	Includes applications for multiple dwelling types				Includes applications for multiple dwelling types		
	No. applicants on SH Waitlist as at Aug 2022	No. Priority approved applications	Est no. hholds on SH Waitlist	No. applicants on SH Waitlist as at Aug 2022	No. applicants on SH Waitlist as at Aug 2022	No. Priority approved applications	Est no. hholds on SH Waitlist
1BR	269	35	269	0	3	0	3
2BR	396	60	127	0	3	0	0
3BR	161	30	34	0	0	0	0
4BR	42	16	8	0	0	0	0
Total	**868**	**141**	**438**	**0**	**6**	**0**	**3**

Source: JSA 2022, adapted from data provided by Argyle Housing (2022).

5.5.4 Purchase Affordability

NSW Rent and Sales Report

The following table shows sale prices for strata and non-strata dwellings sold in postcodes 2619, 2620, 2621, 2622, Queanbeyan-Palerang LGA, Rest of State and NSW in March Quarter 2022, the most recent data available at the time of writing. The affordability of these sale prices has been evaluated as per the Rest of NSW benchmarks.

Key to tables:

Affordable to very low-income households (<$255,000)
Affordable to low-income households ($255,001-$406,000)
Affordable to moderate-income households ($406,001-$610,000)
Affordable to higher-income households only ($610,001 or more)

The upper 25% of low-income purchasing households and all moderate-income purchasing households could afford to purchase a **median priced strata dwelling** in postcode 2620 (Queanbeyan and surrounds) and in the Queanbeyan-Palerang LGA, noting that there are significant supply issues in most other areas of the LGA, with no data for the sale of any strata dwellings in the postcodes of 2621 (Bungendore and surrounds), 2622 (Braidwood and surrounds) and 2623 Captains Flat in the Quarter.

A moderate-income household could affordably purchase a **third-quartile strata dwelling** in postcode 2620 (Queanbeyan and surrounds) and in the Queanbeyan-Palerang LGA, and a **first-quartile non-strata dwelling** in postcode 2622 (Braidwood and surrounds).

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Median priced non-strata dwellings (houses) purchased in these postcodes and LGA would be affordable to higher-income households only.

Table 5-10: Sale Prices for Strata & Non-Strata Dwellings for Selected Areas (Dec Quarter 2021)

Location	Dwelling Type	First Quartile Sales Price $'000	Median Sales Price $'000	Third Quartile Sales Price $'000
2619 – Jerrabomberra	Strata	-	-	-
2620 – Queanbeyan & surrounds	Strata	290	365	490
2621 – Bungendore & surrounds	Strata	No data	No data	No data
2622 – Braidwood & surrounds	Strata	No data	No data	No data
2623 – Captains Flat	Strata	No data	No data	No data
Queanbeyan-Palerang LGA	Strata	299	390	500
Rest of State	Strata	380	535	710
NSW	Strata	599	757	1065
2619 – Jerrabomberra	Non-strata	925	1200	1350
2620 – Queanbeyan & surrounds	Non-strata	830	958	1273
2621 – Bungendore & surrounds	Non-strata	850	1000	1325
2622 – Braidwood & surrounds	Non-strata	450	640	888
2623 – Captains Flat	Non-strata	-	-	-
Queanbeyan-Palerang LGA	Non-strata	800	945	1247
Rest of State	Non-strata	395	600	870
NSW	Non-strata	680	955	1555

Source: JSA 2022, based on data from NSW Department of Communities and Justice Sales Tables December Quarter 2021

5.5.5 EAC Red Square Database

A search of EAC Red Square database was undertaken to explore residential dwellings sold in the two years prior to the time of writing (May 2020 to May 2022) including all residential dwellings (strata and non-strata) sold in the Queanbeyan-Palerang LGA.

Records were culled by removing those with a sales price of $0 and $1, sales between family members of the same name (with many of these records for a sale of $0 or $1), sales of vacant land/where no bedroom number given and sales where the vendor listed is Defence Housing Australia as the DHA sells properties for investment under long-term leaseback arrangements.[54]

During this two-year period, records for 2,195 residential properties were sold in the Queanbeyan-Palerang LGA including 776 strata (35%) and 1419 non-strata dwellings (65%).

[54] Defence Housing Australia, https://www.dha.gov.au/investing/why-invest-with-dha, 08/06/2022.

Sales records by strata and non-strata residential dwellings were assessed by number of bedrooms and by postcode location. The tables below provide an overview of the sales data for strata and non-strata dwellings sold in the Queanbeyan-Palerang LGA during the two-year period to May 2022 by the Rest of NSW affordability benchmarks.

Strata Dwellings

Table 5-11: EAC Red Square Sales of Residential Strata Dwellings, May 2020-May 2022, Queanbeyan-Palerang LGA

Location	Dwelling Type	No. sales	First Quartile Sales Price $	Median Sales Price $	Third Quartile Sales Price $
Queanbeyan-Palerang LGA	Strata w/ BR given	776	$270,000	$385,000	$515,000
	Strata 0-1 BR	142 (18%)	$185,500	$220,000	$324,500
	Strata 2 BR	437 (56%)	$279,000	$373,000	$448,000
	Strata 3 BR	175 (23%)	$508,750	$575,000	$650,000
	Strata 4+ BR	22 (3%)	$588,500	$625,000	$723,750
2619 postcode Jerrabomberra	Strata w/ BR given	46 (6%)	$475,000	$627,500	$745,000
2620 postcode Queanbeyan and surrounds	Strata w/ BR given	721 (93%)	$265,000	$375,000	$500,000
2621 postcode Bungendore and surrounds	Strata w/ BR given	5 (0.6%)	$515,000	$532,000	$570,000
2622 postcode Braidwood and surrounds	Strata w/ BR given	4 (0.5%)	$402,500	$437,500	$475,000

Source: JSA 2022, based on data from EAC Red Square

Affordable to very low-income households, Rest of NSW benchmark (<$255,000)

Affordable to low-income households, Rest of NSW benchmark ($255,001-$406,000)

Affordable to moderate-income households, Rest of NSW benchmark ($406,001-$610,000)

Affordable to higher-income households only, Rest of NSW benchmark ($610,001 or more)

Key findings: Strata dwellings

Compared with Rest of NSW affordability bands, during the two years to May 2022 there were affordable purchase options for strata dwellings for low income, moderate income and even very low income households for a first quartile or median price 0-1 bedroom strata dwelling in the Queanbeyan-Palerang LGA.

The vast majority (93%) of sales of strata dwellings were located in the 2620 postcode area of Queanbeyan and surrounds which also includes the suburbs of Crestwood, Googong, Greenleigh,

Karabar, Queanbeyan, Queanbeyan East and Queanbeyan West. Within the 2620 postcode the first quartile for strata dwellings was $265,000, affordable to 93% of the low income band; while the median for a strata dwelling was $375,000, affordable to the upper 21% of the low income band.

Larger strata dwellings (3 or 4+ bedrooms) and those located in postcode 2619 Jerrabomberra and surrounds were affordable to moderate income or higher income households only.

There were very few sales of strata dwellings (where number of bedrooms were registered) in the Bungendore and Braidwood areas (postcode 2621 and 2622). While those sales show affordability of strata dwellings for moderate income households in these areas, results should be considered with caution due to the very small number of sales, five in Bungendore and four in Braidwood.

There no records of sales of strata dwellings in the 2623 postcode (Captains Flat) area during the period.

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Non-Strata Dwellings

Table 5-12: EAC Red Square Sales of Residential Non-Strata Dwellings, May 2020-May 2022, Queanbeyan-Palerang LGA

Location	Dwelling Type	No. sales	First Quartile Sales Price $	Median Sales Price $	Third Quartile Sales Price $
Queanbeyan-Palerang LGA	Non-Strata w/ BR given	1419	$695,250	$851,500	$1,115,000
	Non-Strata 1 BR	9	$360,000	$525,000	$700,000
	Non-Strata 2 BR	67	$466,000	$550,000	$720,000
	Non-Strata 3 BR	459	$600,000	$695,000	$815,000
	Non-Strata 4+ BR	884	$815,000	$980,000	$1,262,750
2619 postcode Jerrabomberra	Non-Strata w/ BR given	224	$857,125	$981,000	$1,268,750
2620 postcode Queanbeyan and surrounds	Non-Strata w/ BR given	840	$700,000	$830,250	$1,075,000
2621 postcode Bungendore and surrounds	Non-Strata w/ BR given	205	$760,000	$912,000	$1,145,000
2622 postcode Braidwood and surrounds	Non-Strata w/ BR given	111	$530,000	$665,000	$828,750
2623 postcode Captains Flat	Non-Strata w/ BR given	33	$290,000	$350,000	$440,000

Source: JSA 2022, based on data from EAC Red Square

Affordable to very low-income households, Rest of NSW benchmark (<$243,750)

Affordable to low-income households, Rest of NSW benchmark ($243,751-$390,000)

Affordable to moderate-income households, Rest of NSW benchmark ($390,001-$581,250)

Affordable to higher-income households only, Rest of NSW benchmark ($581,251 or more)

Key findings: Non-Strata dwellings

In contrast, sales of non-strata dwellings in the Queanbeyan-Palerang LGA were generally affordable to moderate and higher income households only.

There was some affordability for smaller non-strata dwellings (one and two bedroom properties) for some low income and moderate income households, and for non-strata dwellings sold in postcode 2622 (Braidwood and surrounds) and postcode 2623 (Captains Flat).

It is noted that the decommissioned Lake George Mine at Captains Flat is part of the NSW Government's Legacy Mines Program and is subject to on-going rehabilitation works including a Lead Management Plan for the town of Captains Flat that aims to reduce community exposure to

lead resulting from historic mining in the town.[55] In February 2021, the NSW EPA carried out precautionary testing of surface soils in public and community spaces at Captains Flat to check for lead beyond the former Lake George Mine.[56] The affordability of dwellings sold in the Captains Flat area in the last two years should be considered within this context.

Vacant Land

A search of EAC Red Square database was undertaken to explore vacant land sold for the two years prior to the time of writing, May 2020 to May 2022 including all sales in the Queanbeyan-Palerang Regional LGA.

Records were culled by removing those with a sales price of $0 and $1, sales between family members of the same name (with many of these records for a sale of $0 or $1), sales of vacant land/where no bedroom number given and sales where the area was greater than $1,500 m^2.

Summary data is shown below.

Table 5-13: EAC Red Square Sales of Vacant Land, May 2020-May 2022, Queanbeyan-Palerang LGA – Affordability is based on construction of an entry level project home at $210,000[57]

Location	Dwelling Type	No. sales	First Quartile Sales Price $	Median Sales Price $	Third Quartile Sales Price $
Queanbeyan-Palerang Regional LGA	Vacant Land	661	$309,000	$342,000	$385,000
2619 postcode Jerrabomberra	Vacant Land			No data	
2620 postcode Queanbeyan and surrounds	Vacant Land	580	$308,000	$340,000	$373,000
2621 postcode Bungendore and surrounds	Vacant Land	61	$345,000	$416,000	$425,000
2622 postcode Braidwood and surrounds	Vacant Land	12	$181,000	$218,000	$252,000
2623 postcode Captains Flat	Vacant Land	6	$119,000	$123,000	$159,000

Source: JSA 2022, based on data from EAC Red Square

[55] NSW Government, Regional NSW, Captains Flat (Lake George Mine), https://www.regional.nsw.gov.au/meg/exploring-and-mining/legacy-mines-program/case-studies/captains-flat-lake-george-mine, accessed 09/06/2022.
[56] NSW EPA, Important Captains Flat community notice, last updated 26 July 2021, https://www.epa.nsw.gov.au/working-together/community-engagement/community-news/captains-flat, accessed 09/06/2022.
[57] Rawlinsons Basic Standard 140 m^2, brick veneer plus 10% for GST and 30% for other costs

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Affordable to very low-income households, Rest of NSW benchmark (<$243,750)
Affordable to low-income households, Rest of NSW benchmark ($243,751-$390,000)
Affordable to moderate-income households, Rest of NSW benchmark ($390,001-$581,250)
Affordable to higher-income households only, Rest of NSW benchmark ($581,251 or more)

Key findings: Vacant Land

Sales of vacant land generally provide affordable purchase opportunities to moderate income households in Queanbeyan-Palerang LGA.

5.5.1 Regression Analysis of Sales Prices

A further analysis of RedSquare sales data has been carried out to understand the impact on prices of various factors such as location, number of bedrooms and lot size. The results of the analyses are shown in the tables below.

For **separate houses**, prices have risen significantly since mid-2020, with the modelling suggesting **real increases of 11% annually** when adjusting for variables acting as proxies for the quality of housing. Price increases with additional bedrooms, bathrooms and site area. The impact of site area is significant, with an increase of lot size from 200 m^2 to 1200 m^2 adding $490,000 to the cost of a house; or from 200 m^2 to 700 m^2 adding $245,000.

Number of parking spaces was not a statistically significant predictor of price (although as discussed later, this is a factor in relation to viability of strata dwellings).

There is considerable variation in house price across different areas, with houses in Captains Flat $400,000 less than Queanbeyan, those in Braidwood $189,000 less and those in Bungendore $120,000 less when adjusted for lot and house size. While adjusted prices are lower in Bungendore, median prices are higher, with this explained by the generally larger lot sizes in Bungendore.

A two bedroom, one bathroom dwelling on a 200 m^2 block in Bungendore is predicted to sell for $451,000, and so be affordable to around half of moderate income households. By comparison, a similar dwelling in Googong is predicted to sell for $745,000, and would not be affordable.

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Table 5-14: Linear regression analysis for separate houses for suburbs in QP LGA

Variable	Results	Comment
R^2	0.70	The model predicts 70% of the variation in house prices
Days	$513.80, p=0.000	Average prices increased by $190,000 over the period when adjusted for dwelling quality, a rise of about 21% over the period
Bedroom	$42,318, p=0.000	Each bedroom adds $42,000 to the price of a house
Bathroom	$93,558, p=0.000	Each bathroom adds $94,000 to the price of a house
Area	$487.59, p=0.000	Each additional square metre of land area adds $488 to the price of a house
Braidwood	-$188,980, p=0.000	Houses in Braidwood are $189,000 less compared to Queanbeyan
Bungendore	-$119,280, p=0.000	Houses in Bungendore are $119,000 less compared to Queanbeyan
Captains Flat	-$395,550, p=0.000	Houses in Captains Flat are $396,000 less compared to Queanbeyan
Googong	$174,780, p=0.000	Houses in Googong are $175,000 more compared to Queanbeyan
Jerrabomberra	$150,730, p=0.000	Houses in Jerrabombera are $151,000 more compared to Queanbeyan
Karrabar	-$63,637, p=0.000	Houses in Karrabar are $64,000 more compared to Queanbeyan
Queanbeyan East	-$60,530, p=0.000	Houses in Queanbeyan East are $61,000 less compared to Queanbeyan
Queanbeyan West	-$51,094, p=0.000	Houses in Queanbeyan West are $51,000 less compared to Queanbeyan
Constant	$338,820, p=0.000	

Source: JSA 2022, based on EAC RedSquare database.

For **strata dwellings**, real prices have risen significantly from mid-2020, with **annual increases of about 20% over the period**. Price increases with **additional bedrooms** and **additional bathrooms.**

Strata dwellings in Jerrabomberra, Karabar and Queanbeyan West are more expensive when compared to Queanbeyan, dwellings in Crestwood are slightly less than in Queanbeyan, and dwellings in Braidwood, Bungendore and Queanbeyan East were similar in price to Queanbeyan.

The effect of smaller dwellings on affordability can also be seen here. As an example, a two bedroom, one bathroom villa or apartment in Bungendore or Queanbeyan is predicted to sell for

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$446,000, making this dwelling affordable to most moderate income households. More importantly, 73% of privately owned apartments in Queanbeyan-Palerang LGA are in private rental as are 50% of semi-detached, row houses etc, so that **increasing the supply of apartments and multi dwelling housing will increase the supply of private rental stock, and increasing the supply of smaller dwellings will add to affordable rental stock through the market**. By contrast, around 15% of privately owned separate houses are rented.

Table 5-15: Linear regression analysis for strata properties in Queanbeyan-Palerang LGA

Variable	Results	Comment
R^2	0.72	The model predicts 72% of the variation in house prices
Days	$230.33, p=0.000	Average prices increased by $168,000 over the period when adjusted for dwelling quality, a rise of about 38% over the period
Bedroom	$104,210, p=0.000	Each bedroom adds $104,000 to the price of a dwelling
Bathroom	$100,920, p=0.000	Each bathroom adds $101,000 to the price of a dwelling
Crestwood	-$18,851, p=0.000	Dwellings in Crestwood are $19,000 less compared to Queanbeyan
Jerrabomberra	$147,330, p=0.000	Dwellings in Jerrabombera are $147,000 more compared to Queanbeyan
Karrabar	$53,989, p=0.000	Dwellings in Karrabar are $54,000 more compared to Queanbeyan
Queanbeyan West	$54,421, p=0.000	Houses in Queanbeyan West are $54,000 more compared to Queanbeyan
Constant	$136,500, p=0.000	

Source: JSA 2022, based on EAC RedSquare database.

As for other sales types, the price of land increased by 29% over the period, an **annual rise of around 15% in real terms.** The price of land in Braidwood and Bungendore is much less than that for land in Queanbeyan.

The development of vacant land in Bungendore on smaller lots is likely to contribute to the supply of affordable housing, with entry level project homes estimated to cost around $210,000,[58] giving a total price of $416,000 on a 300 m^2 lot, and affordable to most moderate income households. A lot size of 225 m^2 would be just affordable to a low income household.

[58] Rawlinsons Basic standard 140 m^2, brick veneer plus 10% for GST and 30% for other costs.

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Table 5-16: Linear regression analysis for land sales for suburbs in QP LGA

Variable	Results	Comment
R^2	0.21	The model predicts 21% of the variation in land prices
Days	$142.05, p=0.000	Average prices increased by $104,000 over the period when adjusted for area and location, a rise of about 29% over the period
Area	$341.78 p=0.000	Each additional square metre of site area adds $342 to the price of a block of land
Braidwood	-$285,720, p=0.000	Blocks of land in Braidwood are $286,000 cheaper on average compared to Queanbeyan and surrounds
Bungendore	-$159,740, p=0.000	Blocks of land in Bungendore are $160,000 cheaper on average compared to Queanbeyan and surrounds
Constant	$262,790, p=0.000	

Source: JSA 2021, based on EAC Red Square database.

5.6 Housing Stress

5.6.1 Overview

A commonly used measure of underlying **need for affordable housing** is the number of households in 'housing stress', or at risk of after-housing poverty.[59] A broad 'rule of thumb' for 'housing stress' is when a very low, low or moderate income household is paying more than 30% of its gross income on rental or mortgage repayments, and 'severe housing stress' when such a household is paying more than 50% of its income on such housing costs.

Other factors will clearly affect the financial and social wellbeing of a family, including the adequacy and appropriateness of their housing, and costs that are unequally borne by some households, for example, high health care or transport costs where they live in a regional or rural area.[60]

As such, housing stress is useful as a broad metric for understanding the comparative affordability of an area, and indicates the potential scale of the problem for strategic planning purposes.

[59] See for example Yates, J. 2007. *Housing Affordability and Financial Stress*, AHURI Sydney University, who notes that, often 'housing stress' is defined by the 30-40 rule, that is, that a low income household (in the lowest 40% of household income) will pay no more than 30% of its gross income on housing costs. This broad rule of thumb is often extended to the low to moderate income groups as defined under SEPP (Housing) 2021.

[60] See for example Gleeson, B. and Randolph, B. (2002) 'Social disadvantage and planning in the Sydney Context', *Urban Policy and Research* Vol 20(1) pp101-107; and Kellett, J. Morrissey, J. and Karuppannan, S. 2012. 'The Impact of Location on Housing Affordability', *Presentation to 6th Australasian Housing Researchers Conference,* 8-10 February 2012, Adelaide, South Australia.

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In total, there were around 2,200 households in housing stress in the LGA in 2016, comprising 1,599 households in rental stress and 599 households in purchase stress.

By far the most serious affordability problem when considering housing stress is among **very low and low income renters**, who combined make up 56% of all households in housing stress in the LGA. When moderate income renters are added, **renters make up around three-quarters of those in housing stress**. Very low income households (renting or purchasing) are far more likely to be in **severe housing stress** than other income groups, that is, paying more than 50% of their gross household income in rent.

Very low, low and moderate income purchasing households make up 27% of those in housing stress, with the largest proportion those on moderate incomes. With regard to very low and low income households in mortgage stress, it is likely that many in these income groups have experienced a change in life circumstances after purchasing their home, for example, divorce, unemployment or retirement, as such income groups would generally be unable to obtain a housing loan without significant capital or savings.

As well as the overrepresentation of renters among those in housing stress, it is also noted that home purchasers often have an appreciating asset and their income to repayments ratio generally decreases over time. Long-term renters do not have these benefits, and are particularly hard hit where the real cost of rental continues to grow. The following table shows this in more detail.

Table 5-17: Break Down of Relative Housing Stress among Income and Tenure Groups

Housing Stress Summary: Queanbeyan-Palerang LGA

INCOME BAND	RENTAL STRESS (Severe + Moderate)	PURCHASE STRESS (Severe + Moderate)	TOTAL STRESS
Very Low	739 (34%)	95 (4%)	834 (38%)
Low	478 (22%)	166 (8%)	644 (29%)
Moderate	382 (17%)	338 (15%)	720 (33%)
Total	**1,599 (73%)**	**599 (27%)**	**2,198 (100%)**

Source: JSA 2022, derived from ABS 2016 Census, Table Builder

This is now looked at in more detail for different tenure groups.

5.6.2 Housing Stress among Renters

As noted above, at the time of the 2016 Census (the most recent data available at the time of writing)[61], there were almost **1,599 renting households in housing stress** in Queanbeyan-Palerang LGA (73% of all very low, low and moderate income households in housing stress).

[61] The first release data does not include TableBuilder that would enable housing stress to be analysed. This should be available in October 2022 in the second release data.

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There is a similar rate of housing stress among very low and low renting income households in the Queanbeyan-Palerang LGA compared with Rest of NSW, with 82% of all local very low income renters in housing stress, and 55% of low income renting households in housing stress. The rate amongst moderate income renters was much lower than for these other income groups (34%).

The following graph shows the relative housing stress among renters for these areas.

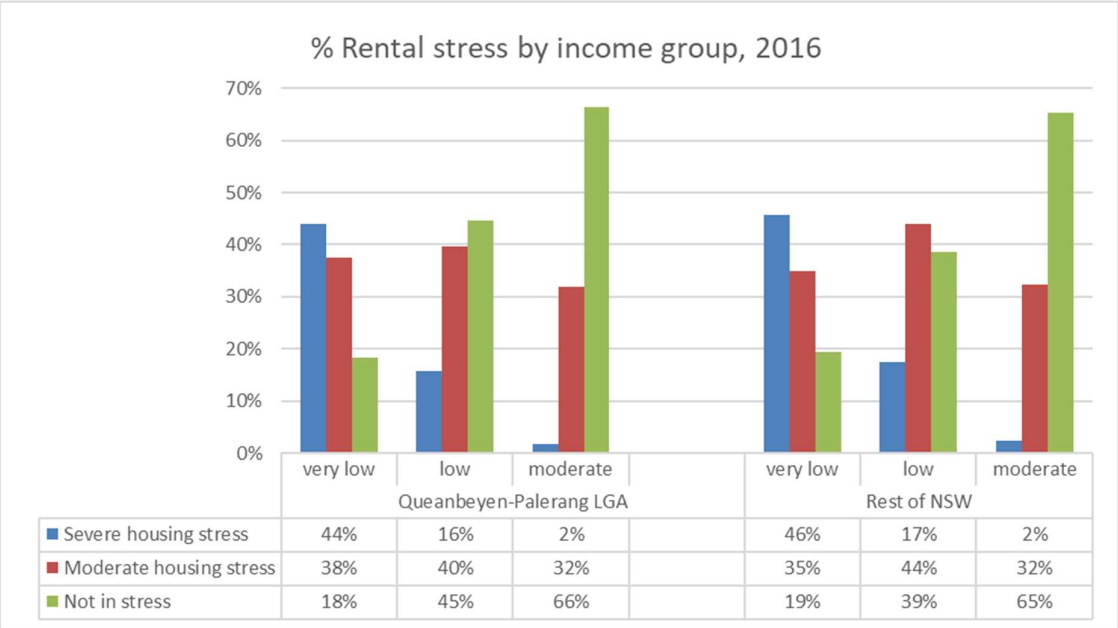


Figure 5.7: Housing Stress among very low, low and moderate income renting households in Queanbeyan-Palerang LGA compared with Rest of NSW

Source: JSA 2022, derived from ABS Census, Table Builder 2016

The following table shows that the majority (76%) of the 1,599 households in rental stress in the LGA were on **very low and low incomes,** with 24% on moderate incomes.

However, rental stress is experienced disproportionately by some household types.

- Lone person households also make up the largest proportion of the renting households in stress (779 households or 51% of renting households in housing stress). When couple only households are included, this is around 60% of renting households that would need smaller dwellings. **Given the very high proportion of very low and low income lone person households, the need for studio and one bedroom apartments is a priority.**
- Larger households (family households and group households) make up the balance of renters in housing stress, meaning that 40% of renting households would need dwellings that are larger and/or suitable for family households.

NOTE: the numbers below differ from those in Table 5.16 above due to the non-inclusion of 'not stated', 'non-classifiable', 'group' and 'visitor only households', as well as Census randomisation. Table 5.16 is relied upon for absolute numbers.

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Table 5-18: Renting Households in Housing Stress for Queanbeyan-Palerang LGA

	All Renting Households	Lone person renting Households	Couple renting Households	One family w/ children renting H/hs	Group and other renting H/hs
Very Low Income Households	739 (46%)	471 (60%)	26 (20%)	188 (33%)	4 (9%)
Low Income Households	478 (30%)	206 (26%)	52 (40%)	202 (36%)	7 (16%)
Moderate Income Households	382 (24%)	102 (13%)	52 (40%)	174 (31%)	32 (73%)
Total in Stress	**1,599 (100%)**	**779 (100%)**	**130 (100%)**	**564 (100%)**	**44 (100%)**
Total very low, low, mod income renting households	**2,901 (55% of whom are in stress)**	**1,451 (54% of whom are in stress)**	**287 (45% of whom are in stress)**	**903 (62% of whom are in stress)**	**81 (55% of whom are in stress)**

Source: JSA 2022, based on data from ABS Census of Population and Housing 2016 (Table Builder)

5.6.3 Housing Stress among Home Purchasers

At the time of the 2016 Census, there were around 600 purchasing households in housing stress in the Queanbeyan-Palerang LGA.

Compared to Rest of NSW, there is a somewhat lower rates of housing stress among very low and moderate income purchasing households in the LGA, while purchase stress among low income purchasers is slightly higher as shown in the following graph. It is likely that the situation will be quite different when 2021 Census data is able to be analysed.

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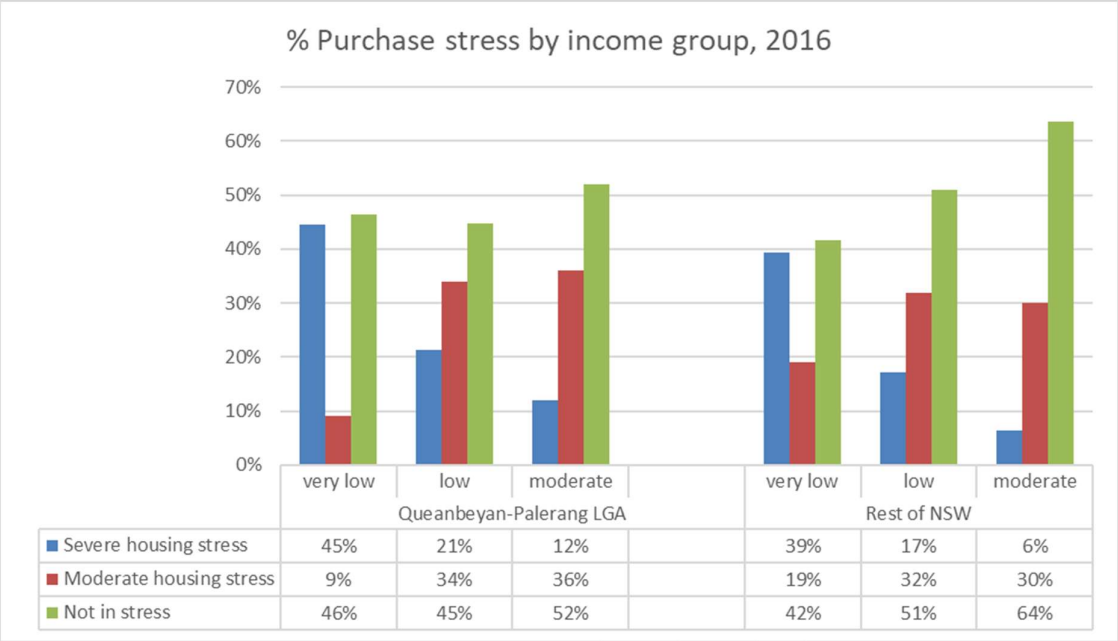


Figure 5.8: Housing Stress among very low, low and moderate income purchasing h/holds in Queanbeyan-Palerang LGA compared with Rest of NSW

Source: JSA 2022, derived from ABS Census, Table Builder 2016

Again, purchase stress is not evenly distributed across households.

The largest group were lone person households. When couple only households are included, this means that 60% purchasers in housing stress would need smaller dwellings, with the balance (40%) needing larger/family dwellings

The breakdown in income and main household type of those in purchase stress in Queanbeyan-Palerang LGA is set out in the table below.

NOTE: the numbers below differ from those in Table 5.16 above due to the non-inclusion of 'not stated', 'non-classifiable', 'group' and 'visitor only households', as well as Census randomisation. Table 5.16 is relied upon for absolute numbers.

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Table 5-19: Purchasing Households in Housing Stress for Queanbeyan-Palerang LGA

	All Purchasing Households	Lone person purchasing Households	Couples without children H/hs	One family w/ children Households
Very Low Income Households	95 (16%)	22 (10%)	0 (0%)	7 (4%)
Low Income Households	166 (28%)	56 (27%)	17 (29%)	57 (32%)
Moderate Income Households	338 (56%)	132 (63%)	42 (71%)	116 (64%)
Total in Stress	**599 (100%)**	**210 (100%)**	**59 (100%)**	**180 (100%)**
Total very low, low and moderate income purchasing households	**1,181 (51% of whom are in stress)**	**464 (45% of whom are in stress)**	**147 (40% of whom are in stress)**	**316 (57% of whom are in stress)**

Source: JSA 2022, based on data from ABS Census of Population and Housing 2016 (Table Builder)

The affordability and housing need data discussed above indicate a significant housing affordability problem for the LGA, much of which is not readily able to be addressed through the market, particularly for very low and low income renting households, and for low and moderate income purchasing families.

5.7 Case Studies

5.7.1 Key Worker Case Studies

Overview

We have analysed the indicative incomes for different types of 'key workers' likely to be on very low, low and moderate household incomes, and the amount that they could affordably pay in rent. This helps to put a more 'human face' on the problem of affordability in the local context.

Award rates for key workers have been taken from the Fair Work Ombudsman website,[62] with key worker industries including aged care, health, education, and hospitality.

Examples of some of these very low, low and moderate income 'key worker' households, using the maximum income benchmarks set out above, are provided below.

Very Low Income Key Worker Households (<$742 p/w)

Some examples of very low income key worker households are as follows:

[62] https://calculate.fairwork.gov.au/findyouraward accessed 5 August 2022.

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- A lone person working part-time as a lower-level aged care worker. This person would earn around $700 for a 30 hour week.
- A lone person working part-time as a cleaner. This person would earn around $650 for a 25 hour week.
- A couple with a young child, with one person caring for the child and the other working part-time as a first year nursing assistant. This couple would be on an income of around $700 for a 30 hour week. Note that this family may receive Commonwealth Rental Assistance of up to $73 per week depending on their level of Family Tax Benefit.

These households would need to pay less than $210 rent per week for their housing.

A very low income key worker household would therefore be unable to affordably rent even a studio or one bedroom apartment or a room in a Boarding House in Queanbeyan-Palerang LGA.

Low Income Key Worker Households ($743-$1,187 p/w)

Some examples of low income key worker households are as follows:

- An adult process worker, who would earn around $835 per week.
- A lone person working full-time as a level 2 aged care worker. This person would earn around $896 per week.
- An adult working full time as a storeman or in warehousing, who would earn around $886 per week.
- A lone person working full time as a cleaner. This person would earn around $865 per week.
- A couple with a young child, with one person caring for the child and the other working full-time as an experienced nursing assistant. This couple would be on an income of around $941 per week. Note that this family may receive Commonwealth Rental Assistance of up to $73 per week depending on their level of Family Tax Benefit.
- A single parent working full-time as an experienced enrolled nurse. This person would earn around $984 per week.

These households would need to pay between $250 and $295 rent per week for their housing to be affordable under relevant benchmarks.

They would be unable to afford to rent any dwellings of any size in Queanbeyan-Palerang LGA, although at the upper end, they could likely afford a room in a Boarding House or Co-Living Housing development, although this would not be suitable for a family.

Moderate Income Key Worker Households ($1,188-$1,781)

Some examples of moderate income key worker households are as follows:

- A lone person working full-time as an ambulance officer. This person would earn around $1,116 per week.
- A lone person working as a teacher with a four year degree and five years experience. This person would earn around $1,574 per week depending on grade.

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- A lone person working as a level two registered nurse. This person would receive a gross weekly income of around $1,265 per week.
- A couple with one person working part-time as a cleaner and the other as an Enrolled Nurse. This couple would receive an income of around $1,658 per week.

These households would need to pay between $350 and $500 rent per week for their housing to be affordable under relevant definitions.

None of these moderate income key worker households could affordably rent a separate house. At the lower end, they could afford to rent a one bedroom apartment, or a room in a Boarding House or Co-Living Housing, and at the higher end, a two bedroom apartment.

5.7.2 Centrelink Recipients Case Studies

As a subset of households on very low incomes, people who are receiving some form of Centrelink payment, such as a single aged pension, disability support pension or NewStart allowance, would be excluded from affordable rental in most housing products in the LGA.

Some examples of the affordability situation of very low income households dependent on Centrelink payments are as follows:

- A single aged pensioner with no superannuation would have an income of $494 per week including relevant supplements, and could afford to pay $221 in rent including Commonwealth Rental Assistance.[63] **This household could not affordably rent even a one-bedroom apartment or Boarding House room in Queanbeyan-Palerang LGA.**
- An aged pensioner couple with no superannuation and receiving Commonwealth Rental Assistance. This household would have an income of $744 per week including relevant supplements, and could afford to pay $292 in rent including Commonwealth Rental Assistance.[64] **This household could not affordably rent even a one-bedroom apartment in Queanbeyan-Palerang LGA, although they could likely afford a room in a lower amenity Boarding House.**
- A single person on JobSeeker Allowance would have an income of $321 per week, and could afford to pay $169 in rent including Commonwealth Rental Assistance.[65] **This household could not affordably rent anything in Queanbeyan-Palerang LGA.**
- A single parent household with two children who is receiving parenting allowance and relevant supplements would be on an income of $779 per week, and could afford to pay $307 per week in rent including Commonwealth Rental Assistance.[66] **This household could not affordably rent anything in Queanbeyan-Palerang LGA.**

[63] Around $73 per week for eligible households.
[64] Around $69 per week for eligible households.
[65] Around $73 per week for eligible households.
[66] Around $73 per week for eligible households.

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5.8 Gap Analysis

5.8.1 Need for affordable housing

Based on levels of housing stress in Queanbeyan-Palerang LGA in 2016, around 2,200 very low, low and moderate income households were estimated to be in housing stress at the 2016 Census. By 2041, this is projected to **grow by 1,575 households to a total of 3,775 households** in housing stress.

Of these, around **75% are likely to be renters** and the balance purchasers. Of renters, **around 55% of are likely to be very low income households,** with around 25% low income households, and 20% moderate income households.

Forecasts by .id Consulting indicate that there will be an additional 11,942 dwellings required from 2016 to 2041, or an increase of 50% of dwellings over the period, as discussed above. A 50% in housing stress pro rata increase has been assumed across household, income and tenure types to calculate additional housing need from 2016-41.

Of additional dwellings, 4% of dwellings were rented as social (public and community) housing in NSW in 2021. Although the local rate is somewhat lower, given the extent and nature of housing stress amongst very low income renters in the LGA, it is reasonable to assume that at least the same proportion as NSW should be provided as social housing in the future. As such, an **additional 478 social rental housing dwellings** would be required by 2041. Based on household type distribution for very low income renters in housing stress, this would need to be configured as 60% smaller dwellings and 40% family dwellings. It is also noted that this is far less than the number of very low income renters in private rental in housing stress, so that a much larger amount of social housing will in reality be needed by 2041.

This breakdown is shown in the table below for existing affordable housing need, projected affordable housing need 2016 to 2041, and total projected affordable housing need (current plus projected).

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Table 5-20: Need for Affordable (including Social) Housing to 2041 (Current and Additional)

		Renting Households			Purchasing Households		
		Suitable for Lone Persons or Couples w/o Children	**Suitable for Families with Children**	**TOTAL**	**Suitable for Lone Persons or Couples w/o Children**	**Suitable for Families with Children**	**TOTAL**
Total Required (at 2016) (1)	Affordable to Very Low Income Households	532	207	**739**	71	24	**95**
	Affordable to Low Income Households	258	220	**478**	93	73	**166**
	Affordable to Moderate Income Households	160	222	**382**	202	136	**338**
Additional Required 2016-2036 (2)	Affordable to Very Low Income Households	266	104	370	36	12	48
	Affordable to Low Income Households	129	110	239	47	37	83
	Affordable to Moderate Income Households	80	111	**191**	101	68	**169**
Social Rental Housing (3)	SH Affordable to Very Low Income Households	287	191	**478**	n/a	n/a	**n/a**

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		Renting Households			Purchasing Households		
		Suitable for Lone Persons or Couples w/o Children	**Suitable for Families with Children**	**TOTAL**	**Suitable for Lone Persons or Couples w/o Children**	**Suitable for Families with Children**	**TOTAL**
Total Required in 2041 (2)	Affordable to Very Low Income Households	798	311	**1109**	107	36	**143**
	Affordable to Low Income Households	387	330	**717**	140	110	**249**
	Affordable to Moderate Income Households	240	333	**573**	303	204	**507**
	TOTAL	**1,712**	**1,165**	**2,877**	**549**	**350**	**899**

Source: JSA calculations, using data from ABS Census of Population and Housing 2016 and .id Consulting Population Forecasts

(1) Housing stress analysis has been undertaken using ABD 2016 Census data as the data that would enable the analysis for 2021 to be conducted through TableBuilder had not been released at the time of writing.

(2) Calculated using pro-rata household growth from population projections, that is, a 50% growth in dwellings from 2016-41.

(3) Minimum number of the projected dwellings from 2016-41 required to maintain the proportion of social housing dwellings at the current NSW rate (4%), and distributed in accordance with smaller and larger households in housing stress (60%/40%).

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5.9 Ability of the Market to Supply Affordable Housing

Overview

There is very limited opportunity for the market to provide affordable housing to meet current and projected need, as outlined above.

With regard to **renters**, no very low and low income renters would be able to rent affordably in the private market, particularly considering that newly constructed dwellings in the future are likely to reflect at least median and likely third quartile rents. The upper 50% of moderate income households could affordably rent a smaller strata dwelling, but those needing accommodation suited to families would likely be excluded.

This means that around 95% of very low, low and moderate income renters in housing need would be excluded from renting affordably through the private market, although the provision of **studio and one bedroom apartments** would be highly beneficial in terms of lower cost housing and increased diversity of supply, and **boarding housing and co-living accommodation** would be affordable to some of these target groups if it were available. It is also noted that around 75% of flats and units and 50% of medium density housing types in the local housing market are in private rental compared with only around 15% of houses.

Lower cost caravan parks and MHEs, where these were community housing managed and/or where people could bring their own lower cost home to a site, would also be affordable to some of the target group.

In terms of **purchasers**, it is positive that smaller (one and two bedroom) strata dwellings are likely to be affordable to around 25% of low income purchasers and all moderate income purchasers, with these more likely to be suitable for smaller households. However, in general, non-strata dwellings (houses) were not affordable to any families in the target groups, although smaller families could likely be suitably housed in larger strata dwellings.

This means that around 55% of very low, low and moderate income purchasers would be excluded from affordable purchase in the future, although it is positive that an increase in the supply of strata dwellings would provide affordable purchase for around 45% of the relevant target groups, and lower cost (if not affordable) accommodation for others, and increased diversity around key centres. Again, MHEs and caravan parks where people could bring their own dwelling (rather than one subject to exorbitant mark ups), as well as smaller entry level project homes on small lots, would also likely be beneficial in terms of lower cost (if not always affordable) accommodation.

When renters and purchasers are combined, this means that around 85% of current and projected affordable housing need is unlikely to be met by the private housing market in the future.

This has strategic implications, including with regard to the current planning and development regime, the nature and location of future supply, and the nature of market intervention that is likely to be effective, as discussed in the following section.

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6 Stakeholder consultation

6.1 Overview

Judith Stubbs and Associates conducted a series of telephone and video conferences with targeted stakeholders to better understand the current context of the local housing market and need for affordable housing and homelessness services in the Queanbeyan-Palerang LGA, with particular focus on the key centres of Queanbeyan and surrounds, Bungendore and Braidwood.

Stakeholders from within QPRC, NSW government, community housing providers, specialist homelessness services, other relevant housing/support services, local real estate agents and developers interviewed included:

- QPRC Program Coordinator, Community.
- Department of Communities and Justice (DCJ) – Southern NSW (Commissioning and Planning and Senior Project Officer Homelessness)
- Land and Housing Corporation (LAHC) – Southern NSW (Delivery Director)
- Aboriginal Housing Office (AHO) - JSA has reached out to the Sydney/South Eastern Region to provide an overview and perspective on current housing need, priorities and plans for the AHO in the QPRC.

Community housing providers, specialist homelessness services, other relevant support services and community organisations including:

- Argyle Community Housing (CEO and GM Operations) [still awaiting interview at the time of writing]
- Braidwood Community Association (Sue Murray)
- Braidwood Life Centre (Maria Bakas)
- Karabar Housing Co-operative (Vivienne Cox)
- Molonglo Support Services – Your Place Housing Support Service (CEO & SHS Generalist Homelessness Service Coordinator)
- SEARMS Community Housing Aboriginal Corporation (Operations Manager)
- Sleepbus Queanbeyan (CEO / founder)
- St Benedict's Community Centre (Coordinator)

As at 05/08/2022 we have not yet received a response to our enquiry from HOME in Queanbeyan and SYFS Crisis Youth Refuge Queanbeyan; and we have been unable to contact the Munjuwa Health, Housing and Community Aboriginal Corporation.

Local real estate agents interviewed were:

- Bradys Real Estate Bungendore

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- PRD Bungendore
- Ray White Bungendore
- Gilbert R.E. Bungendore
- Ray White Braidwood
- Nutrien Harcourts Braidwood
- Blackshaw Queanbeyan & Jerrabomberra
- Raine & Horne Queanbeyan & Jerrabomberra
- Ian McNamee & Partners (Queanbeyan, Jerrabomberra, Googong)

JSA did not received responses to our enquiry and follow ups from LJ Hooker Queanbeyan, Ray White Queanbeyan & Jerrabomberra, Estate Real Estate (Queanbeyan) and White Rhino Property (Queanbeyan).

Developers' contacts were also provided by QPRC, and representatives of the following were interviewed:

- Aland Pty Ltd (CEO)
- Googong Township Pty Ltd (Project Director)
- Village Building Company Pty Ltd (Project Manager).

6.2 Key findings from consultation

6.2.1 Overview

The Queanbeyan region does not appear to be identified by NSW housing agencies (DCJ, LAHC) as a high priority area in comparison to other parts of NSW. LAHC reported that at this stage there are no plans for any major construction projects or redevelopment of existing stock, for example, to provide for increased diversity of existing older low density stock, although it would be interested in any proposals from Council and a community housing provider with regard to potential opportunities. DCJ has current funding available for providers to deliver supported, transitional accommodation for women and children escaping family violence through new Core and Cluster designed developments, although it no longer provides capital funding (now the role of LAHC).

However, Argyle Housing reports that Queanbeyan-Palerang LGA is a high priority for them, with strongly growing need for social housing and affordable rental housing, but difficulties for them in expanding their stock portfolio in the LGA due to the high and increasing cost of purchase of land and dwellings, the high cost and lack of supply of properties for them to headlease in the private rental market, the deep subsidies required to house most people on their waiting list, and the lack of engagement of previous Councils in the LGA in this policy area, including with regard to supporting Argyle to expand in the area, or to identify land for potential development and management partnerships.

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Registered Aboriginal community housing provider SEARMS Community Housing Aboriginal Corporation reports that Queanbeyan is a high priority area for their service, receiving requests for housing in the Queanbeyan from *"at least three people a week, every week"* who are experiencing homelessness, sleeping either in their cars or couch surfing with friends or family. SEARMS notes that overcrowding for Aboriginal households is a continuous challenge, with affordability issues making the issue more acute as adult children do not leave, or may return to, the family home and have children of their own. **Lack of cross-border service accessibility**, particularly for Aboriginal people in Queanbeyan to culturally appropriate services and supports in the ACT, due to their postcode of residency was also raised.

There is a **very committed and active group of housing services and community organisations** in Queanbeyan and Braidwood working to respond to increasing affordable housing need and homelessness. In 2018, services in Queanbeyan formed the Queanbeyan Housing Action Collective (Q-HAC) to plan innovative ways to address homelessness and affordability concerns in the Queanbeyan region. Q-HAC successfully fundraised over $100,000 to deliver a sleepbus to Queanbeyan that provides a safe sleep for around 20 people each night. Q-HAC member organisations have housing projects that they would like to develop, but all require land and/or a high level of subsidy to purchase land to deliver.

Braidwood is experiencing a **'perfect storm' of factors** that has reduced housing affordability and pushed low-income private renters into homelessness, including construction and operations of the Dargues Reef gold mine, 2019/20 bushfires and the flow-on effects of the Covid pandemic to the local housing market. Older people living on their own, often in poor health, and single parents with children have been identified as particular groups experiencing homelessness either in overcrowded shared accommodation, couch surfing or living in cars, old caravans or sheds. The distance from Braidwood to the next nearest centres (e.g. Batemans Bay, Goulburn or Queanbeyan) and affordability challenges in these areas, severely limit how far and where people can go if pushed out of the local housing market yet still have employment, services and social ties in Braidwood.

Providers and services identify **blockages and supply gaps at all levels of the social housing system** from emergency accommodation to transitional housing to longer-term social and affordable housing; with people staying in emergency accommodation longer due to lengthening waiting times for approval of priority applications for social housing, to people remaining in social housing due to an inability to exit into affordable housing in the private market, whether rent or purchase, or into smaller social housing dwellings from larger underoccupied houses.

Real estate agents consulted identified a range of factors reducing affordability of and severely restricting access to the private rental market in Queanbeyan, Bungendore and Braidwood. Some trends that are common across the areas including very low vacancy rates (near 0%), **cyclical job postings in the public service** and the influx of higher income workers and families to the region during the Covid pandemic. There are distinct factors influencing demand in each such as skilled migrants with **regional residency visa requirements** in Queanbeyan, Defence postings and expansion of the ADF headquarters on the Kings Highway for Bungendore and a shrinking supply of lower cost private rental properties in Braidwood.

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Developers consulted report that key constraints from their perspective include the **delivery of land**, with particular demand for smaller blocks across the LGA but especially in Bungendore where current controls set minimum lot sizes at 850sqm; and **current controls that limit development of Shoptop housing and Residential flat buildings** in the Queanbeyan area. In particular, parking requirements and ground floor commercial requirements in B3 zoned areas were identified as impediments. Height and permissibility constraints were also noted in some areas and zones. They noted that there is strong unmet demand for smaller strata dwellings, with such planning constraints limiting their development. This largely validated the findings of JSA's planning and economic analysis, reported below.

6.2.2 Findings from State government agencies (AHO, DCJ and LAHC)

- The QPRC and the DCJ Queanbeyan Allocation Zone is not considered a high priority by DCJ and LAHC when compared with other areas of NSW.
- Recent funding initiatives for the area include Core and Cluster funding for new supported, transitional accommodation for women escaping family and domestic violence and the Staying Home Leaving Violence program.
- In 2020, LAHC completed 18 social housing properties for seniors at 26-30 Thurralilly Street, Queanbeyan East.[67] As of August 2022, LAHC reports that there may be a few dual-occupancy redevelopment projects in train. However, it reported that at this stage there are no plans for any major construction projects or redevelopment of existing stock, for example, to provide for increased diversity of existing older low density stock, although it would be interested in any proposals from Council and a community housing provider with regard to potential opportunities. This would include potential sources of funding, partnership arrangements, and controls that would support redevelopment.[68]
- DCJ is interested in working with LAHC, community services and partners to better utilise the stock that is held to meet the greatest need possible.
- AHO reports that it does not have new supply planned for Queanbeyan through its Capital Program to FY25, noting that the LGA is mid-ranking in terms of Aboriginal social housing demand based on its modelling when compared with all areas of NSW. The focus of the AHO Capital Program has recently been on areas that rank highly based on its demand modelling, or on remote and regional locations where alternative housing options for Aboriginal families may be fewer. The AHO recognises that there is housing need in Queanbeyan, but that attempts to acquire development land in the LGA have been unsuccessful in recent years due to the area's highly competitive property market. The AHO does not have any vacant land holdings in the LGA and as such requires access to well-located land suitable for low to medium density housing. AHO reports that it welcomes opportunities to acquire land suitable for small-scale housing development

[67] https://www.dpie.nsw.gov.au/land-and-housing-corporation/regional/thurralilly-st-and-pound-st,-queanbeyan-east, accessed 03/08/2022.
[68] Telephone interview with LAHC Delivery Director Southern NSW District, 05/08/2022.

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(typically 1-6 dwellings) or receive further input with regard to local Aboriginal housing needs.[69]

6.2.3 Findings from community housing, specialist homelessness services and support organisations

Opportunities and constraints

- **Supply of land** is seen as the key opportunity for organisations seeking to increase the supply of affordable housing in the QPRC area, with high costs of private land and a perceived limited supply of suitable public land a key constraint. Different organisations have development proposals that they are keen to progress, but they require land.
- Molonglo Support Services requires land to progress its plans for a **Core and Cluster model of refuge accommodation**[70] for women and children experiencing domestic and family violence that includes supported, independent living around a shared/common service space (e.g. 2 x 3 bedroom units around a core service centre). In 2021, NSW Government announced funding to deliver new Core and Cluster model refuges across the state over the next four years, including three new projects and one targeted Aboriginal-led project in the DCJ Southern District (which includes the QPRC). Molonglo's preferred location for a Core and Cluster project is a residential area within Queanbeyan, but would be open to exploring other possibilities. The tender period for tranche 2 funding is Sept-October 2022, with a third tranche to open in early 2023.[71] The service is very open to exploring other possible options to increase supply of emergency, transitional and long-term affordable housing including **tiny homes**, **use of redundant car parks** and **creative transformations of spaces for safe night-time stay options**.
- Karabar Cooperative Housing has been in discussions with a private developer of the Googong new release area about potential to develop 21 one and two bedroom townhouses on a site in the housing estate. It is uncertain what contribution the organisation would be able to make should the developer require a partial purchase of the site. Karabar is also considering reconfiguration of some of their dwellings to create more housing.
- Braidwood Life Centre has successfully fundraised to re-locate a demountable dwelling to church-owned land to be used for emergency accommodation (up to three months stay) for people in crisis in Braidwood. It is understood that the approvals process to achieve Council compliance to upgrade and install the dwelling was a lengthy process, with DA fees of over $25k eventually waived after the issue was brought to a Council meeting by the Community Team. **Internal referrals/protocols between the Planning and Community Teams** could

[69] Correspondence provided by Senior Client Relationship Officer – Contracts Sydney South East Region, Aboriginal Housing Office following internal consultations with AHO Property and Portfolio team members.
[70] Department of Planning and Environment, Domestic Violence Crisis Accommodation Functional Design Brief, https://www.facs.nsw.gov.au/domestic-violence/new-investment-housing-and-related-supports-for-women-and-children-escaping-domestic-and-family-violence, accessed 01/08/2022.
71 Procurement, https://www.facs.nsw.gov.au/domestic-violence/new-investment-housing-and-related-supports-for-women-and-children-escaping-domestic-and-family-violence, accessed 01/08/2022.

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be reviewed to explore how to improve efficiency and reduce costs associated with the DA process for services/community organisations with affordable housing development projects.

- A 'perfect storm' of factors in Braidwood is reportedly pushing local low-income private renters, particularly older people on their own and one parent families with children, into homelessness. Braidwood Life Centre provides food, petrol vouchers, mental health and social supports to a growing number of people who are living in crowded shared accommodation, their cars and in caravans and sheds. The Centre, and others in the Braidwood community, would like to create an affordable housing development in **close proximity to the town centre** if **suitable land** could be identified based on the Abbeyfield model or tiny home/MHE model of self-contained independent living units with some common areas and facilities to foster community and social support.
- An **Abbeyfield** model of supported accommodation for older people has been put forward for **Bungendore**, with different sites explored and community fundraising undertaken. It is understood that Council has now identified an appropriate site near the town centre, but requires a Planning Proposal to make the site permissible.
- Services report that LAHC has **sold public land and properties** in the Queanbeyan area in the past to private purchasers with little re-investment of social housing stock into the area. Independently funded charities report that they cannot compete in the private market for public land that is for sale. A search on EAC RedSquare database of properties sold in the LGA since 2020 showed that 4 single storey dwellings in Karabar have been sold by the NSW State Government.
- Other things Council could do to respond to housing need in the area identified by those services consulted included considering ways to reduce on-going costs for affordable housing developments through rates etc and considering ways to ease restrictions and increase approvals for secondary dwellings/granny flats.
- JSA carried out an interview with the CEO of **Argyle Housing** on 12 August 2022. Argyle Housing currently holds around 130 properties in the Queanbeyan area including some that they own, some capital properties that they manage on behalf of LAHC, some properties that they manage on behalf of Blue CHP (a non-profit, affordable housing development company), and some that they headlease from the private rental market. They do not hold any properties in other townships in the LGA, such as Bungendore or Braidwood, outside of Queanbeyan. They are unaware of any other CHP that holds or manages properties in these towns.

  Argyle Housing notes that the **QPRC is an area of high need and has a worsening housing affordability situation in recent years**. Where Queanbeyan has previously been an area where Argyle has been able to affordably purchase and headlease properties to add to its portfolio, it is no longer undertaking these activities there due to increasing costs. Argyle has Social and Affordable Housing Fund (SAHF) funding from the NSW government for the community headlease program which have quotas attached for most of their operating areas in NSW. Argyle reports that it is "increasingly difficult to impossible" to meet the head leasing quotas for the Queanbeyan area due to increasing costs.

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"Anything buffered along the boundary of the ACT is being squeezed dry for housing. We have seen it in Yass, Murrumbateman, Queanbeyan and now further into the smaller towns due to unaffordability in Canberra. People are pushing out into those areas where they never thought to go previously due to the lack of availability and higher housing costs in last few years."

Whilst Argyle acknowledges that the area should be a priority for the organisation due to the level of need, it has not been recently due to a lack of engagement from the previous Council and the high costs of purchasing or undertaken developments on their own without grant funding or substantial partnership opportunities, including on Council or other publicly owned land. As a result, the organisation has chosen to pursue projects where they have been able to secure partnerships with local Councils who are committed to affordable housing in order to deliver new projects on granted public land, such as in Griffith and Wagga Wagga.

Argyle welcomes the opportunity to re-engage with the QPRC and work on projects where, as in the case of their Griffin Green project with Griffith City Council,[72] the local community will receive an in perpetuity affordable housing asset as well as other local economic benefits from the project.

Gaps and blockages

- There is reportedly a very **limited supply** of **emergency accommodation** and **transitional housing** in the QPRC LGA and wider DCJ Southern Region, with options for men on their own particularly scarce. Some motels and caravan parks that previously provided emergency accommodation are no longer doing so.
- **Waiting times** for **approved priority applicants for social housing** have **lengthened** from three to four weeks (typical experience five years ago) to 12-18 months or more. This results in people staying in emergency and transitional housing well past the three or six months intended. *"These days it is likely to be a two-year journey before we can get someone who is homeless into secure and stable affordable housing. We cobble together whatever we can in the meantime – couch surfing, pub rooms, caravan parks. The wait for social housing is so long and there is little to no emergency and transitional housing here. The opportunities to get people housed are drying up."*[73]
- Local SHS reports that this blockage is caused by a **lack of suitable social housing dwellings** in the area, plus an inability of existing social housing tenants to exit into affordable private housing - rental or purchase - due to lack of supply. Waiting times for general applicants for social housing across all dwelling types in the DCJ Queanbeyan allocation zone are reportedly 5-10 years as at 31 June 2021.
- Karabar Co-operative Housing provided JSA with its current waiting list, as Karabar is not a registered Community Housing Provider, it is able to manage its own waiting list. As at August 2022, there were 20 households on its waiting list comprised of a mix of lone person

[72] https://argylehousing.com.au/about-us/projects/
[73] Interview with St Benedicts Community Centre Coordinator, 22/07/2022.

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households, single parent families with children and couples seeking a mix of one, two and three bedroom properties. 45% have been on the waiting list for less than 12 months, 25% less than 2 years and 30% two or more years. Some households had identified complex needs related to taking on caring of a family member, domestic and family violence or accessibility requirements.

- Services report that there is **no cross-border relationship or collaboration** between DCJ Link2Home and ACT One Link systems regarding emergency accommodation or social housing. Services report tremendous difficulty in assisting people in NSW into housing or supports in the ACT, despite in some cases the client being engaged in employment and training in the ACT.
- In response to increasing homelessness and lack of emergency accommodation, Q-HAC members[74] and the Queanbeyan community raised over $100,000 and worked with QPRC to establish a sleepbus service in Queanbeyan that is able to provide a safe sleep for around 20 people per night.[75]
- The sleepbus has been operating successfully for nearly 12 months and provides safe sleeps to singles, couples, family groups and pets. As at 26 July 2022, sleepbus Queanbeyan has provided 714 safe sleeps across 335 service days (73% male sleeps, 27% female sleeps) plus 17 pet sleeps.[76]
- Currently, sleepbus cannot accommodate people with physical disabilities due to accessibility limitations of the bus. The **lack of suitable emergency accommodation for people with a physical disability** was repeatedly identified as a gap by those consulted.
- sleepbus founder/CEO reports that they are seeing an increasing number of people who are using sleepbus who are first time homeless, and others who are working but cannot access affordable accommodation. *"We've got plenty of working homeless. It is a big concern in the area. I am worried we are going to see more people. It is just a lack of affordable housing. I don't think it is necessarily about having a job or not."*[77]
- The sleepbus is acknowledged by its founder/CEO and some Q-HAC members to be both a successful community initiative and valuable contribution, yet ultimately a 'band-aid' solution in the absence of a real increase in emergency and long-term supported affordable housing for those with complex needs. sleepbus is clear about the limitations of its contribution, *"We provide a safe sleep and that is it. We do our bit and we leave. We play our part so that hopefully the services that have the skills to work with people and get them off the street are working with someone that is better rested. That's it."*[78]
- Mental health, drug and alcohol, family and non-family violence are key issues identified by services that contribute to homelessness and difficulty maintaining tenancies. The Molonglo Support Service (the SHS for the area), SEARMS and other support

[74] Karabar Cooperative Housing, St Benedicts Community Centre, Molonglo Support Services, xxx, xxx.
[75] https://www.sleepbus.org/
[76] https://www.sleepbus.org/sleepbuslive, accessed 28/07/2022.
[77] Interview with sleepbus founder and CEO, Simon Rowe, 19/07/2022.
[78] Interview with sleepbus founder and CEO, Simon Rowe, 19/07/2022.

DRAFT

organisations report that people with complex needs often require intensive and long-term supports. Molonglo Support Service reports that it receives over 1,000 referrals annually from police through the Women's Domestic Violence Court Advocacy Service (WDVCAS) program, which are only those incidents attended to by police and related to women. SEARMS notes that connecting its Aboriginal tenants with quality, culturally appropriate health, social support, education/training and employment services is especially important; with the inability of NSW clients to access ACT services due to their postcode of residency a challenge for the Queanbeyan area.

6.2.4 Findings from real estate agents on factors influencing the private rental market

Common trends across the areas

Current **vacancy rates are very low**, near 0% across Queanbeyan, Bungendore and Braidwood. Agents report that vacancy rates are typically low in the area, around 1-1.5% in Queanbeyan; but that Bungendore and Braidwood used to have higher vacancy rates (7-8%) but that vacancy rates have dropped in recent years.

The Covid pandemic has reportedly changed movement patterns, with demand increasing, particularly in Bungendore and Braidwood, from those outside the area looking to live in regional/rural area with the ability to work from home and/or easily access Canberra.

Agents also a report a **shrinking supply of private rental properties** since Covid due to:

- Owners moving back into their investment properties to live; and
- Investors deciding to sell their properties and exit the market due to increased regulation. These properties have reportedly been sold to owner occupiers, a mix of first home buyers and retirees from both within and outside the area.

Agents report that high demand for rental properties across Queanbeyan, Bungendore and Braidwood is also driven by:

- New and cyclical **job postings in key industries** across the region particularly public servants/key workers in Defence, education, health and police; gold mining and destination hospitality around Braidwood.
- This is particularly apparent in Bungendore, due to its proximity to the ADF Headquarters Joint Operations Command (HQJOC) along the Kings Highway 18km east of Queanbeyan and 12km south of Bungendore. This complex, which commands and controls ADF operations around the world, is currently undergoing expansion and upgrades that are projected to create 300 jobs[79] and double the capacity of the facility in the coming years.[80]

[79] NSW Liberal Party, $700 million defence facility expansion to protect nation and deliver jobs in Eden-Monaro, 10 May 2022, https://nswliberal.org.au/Shared-Content/News/2022/$700-million-defence-facility-expansion-to-protect-nation-and-deliver-jobs-in-Eden-Monaro, accessed 19 July 2022.
[80] Australian Government Defence News, Upgrades underway at Joint Operations Command, 13 January 2022, https://news.defence.gov.au/capability/upgrades-underway-joint-operations-command, accessed 19 July 2022.

DRAFT

- Visa categories for **skilled migrants with regional residency requirements** – living in Queanbeyan meets those requirements whilst providing access to employment opportunities of Canberra and the region.[81] Demand from this group reportedly did not slow during the pandemic as there were people already in the country in this situation and skilled entry for those that were already approved continued relatively unchanged. It is only expected to increase with further skilled immigration.

Perception of current market: Queanbeyan, Jerrabomberra & Googong

Vacancy rates are currently very low (0% to 1%) in Queanbeyan, Jerrabomberra and Googong as at late July 2022. Agents report that the current market is 'difficult for renters' with high demand from migrants with regional residency visa requirements.

One agent noted that two-thirds of the 18-20 applications received per property were from non-Australian passport holders seeking a rental in Queanbeyan to meet their regional residency requirements, but also provide access to employment opportunities of the Canberra/Capital region. This group of prospective renters is reported to be generally comprised of couples, families and family groups (e.g. couple with other family member) with demand for three-bedroom properties.

Other groups of prospective renters in Queanbeyan, Jerrabomberra and Googong include young people and people recently separated, with or without children, with demand for one or two-bedroom properties; and working families in key industries particularly public servants with demand for three and four bedroom properties.

Areas of greatest demand included 'anything close to amenities and public transport' as many prospective renters reportedly rely on public transport or have only one car.

Demand is reportedly strongest at the bottom and middle of the market (<$500). One agent noted that, *"Anything below $750 is moving very quickly. The demand in middle of the market reflects the need for affordable housing."*

Demand during the Covid pandemic remained relatively strong due to migrants already in the country with regional residency requirements.

Agents expect a continued tightening of the rental market if investors continue to sell properties to owner occupiers, and that the low vacancy rates will continue.

> *"For medium to low income earners it is getting harder. We do see a lot of applications for people that can't afford a property. We get applications from people that are on Centrelink and the rent is more than 100% of their income. They are desperate to find homes, as there is not enough. When it is unaffordable to that extent, it is really hard."*

[81] https://immi.homeaffairs.gov.au/visas/working-in-australia/skill-occupation-list/regional-postcodes

DRAFT

Bungendore

Agents report that the private rental market has tightened considerably in recent years, hovering around 0% vacancy rate with homes often leased prior to going to market.

The high demand for rental properties, particularly from people coming from outside the area, coupled with rental properties that have been sold to owner occupiers; has increased rental costs in the area and as one agent reported, *"Become unaffordable for a lot of families."*

Rental demand in Bungendore is driven by new and cyclical public service postings, particularly at the higher end of the market by Defence postings. These are primarily families and couples looking for three and four bedroom properties. One agent noted that, *"Around 50% of our properties in Bungendore are Defence tenants at the higher end of market."*

Since the pandemic, agents report that previous slowing of the market in winter has not occurred due to increased demand from within and outside the area from Sydney, Canberra and elsewhere. Early in the pandemic, some owners reportedly put their properties up for rent and moved to the coast. *"Those properties were snapped up quickly. But there has been next to nothing since, with demand only increasing. Vacancies have been non-existent most of the year. We currently only have 1 property available for rent. Demand is certainly higher than supply at present. Hopefully the new development over the next 12 months will supply additional rental properties onto the market as well as those for sale."*

Braidwood

The current vacancy rate is close to 0% in terms of properties ready to be rented out as some properties have gone off-line while owners renovate or undertake repairs. Agents report that things have slowed from where the market was at 7 or 8 months ago, but also that the supply of private rental properties has decreased due to owners returning, investors selling to owner occupiers and rental dwellings becoming tourist accommodation.

Agents report that rental prices increased $50-70 per week and owner occupancy has increased during the pandemic. Owners moved back to the area as did people from outside the area who could work from home. Braidwood is seen as a character filled town, attractive to people from Sydney, Canberra, Wollongong and elsewhere seeking a regional lifestyle.

In recent years, construction and now operational Dargues Reef Gold Mine at Majors Creek has increased demand for housing in Braidwood among mine workers. Agents report that rent rolls in Braidwood are 'dominated by working families' with increasing demand at the middle and top end of the market from mine workers, key workers/public servants (teachers, nurses, doctors and police officers) and workers associated with a local wedding and events venue (Mona Farm). Agents report receiving 5-10 applications per property, with a database of interested applicants able to fill properties before going to market.

One agent noted the lack of supply of rental at the lower end of the market, *"We don't really have the properties to match that lower end of the market demand. There are some units that suit younger first-time renters and older pensioners, but it's only a very small number of properties around 5-7% of our rent roll. Without any area for expansion, there will be no opportunity for new rentals and the situation can only become worse."*

DRAFT

6.2.5 Findings from developers

Three private developers operating in the Queanbeyan, Jerrabomberra, Googong and Bungendore areas participated in a telephone interview with JSA. Developers consulted report that key constraints from their perspective include the delivery of land and current controls that do not facilitate the development of smaller dwellings. There is a perception that controls are less restrictive in the ACT compared to Queanbeyan.

Developers note that there is "astronomical demand" for small lot development like villas, terraces and townhouses, but that (for example) R2 zoned areas do not allow Multi dwelling housing, parking requirements and minimum lot sizes of 850 m^2 in Bungendore.

Current controls are also perceived to be limiting the viability of development of Shoptop housing and Residential flat buildings, with constraints identified including height limits (8.5m) in R4, parking requirements (two car spaces for a two-bedroom unit), bin storage area sizes and ground floor commercial requirements in B3 zoned areas.

Additional infrastructure and community facilities will be necessary to support new growth, with improved public transport between Queanbeyan and Canberra seen as critical and also able to assist with any reduced parking requirements.

Suggestions from developers also include: reducing approval assessment times, reducing s64 and s94 contributions, removing GST from lots, identifying affordable housing in Master Plans, reconsidering RE2 lands to the west of South Jerrabomberra and allowable uses such as seniors housing and terrace homes.

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7 Planning Mechanisms and Strategies

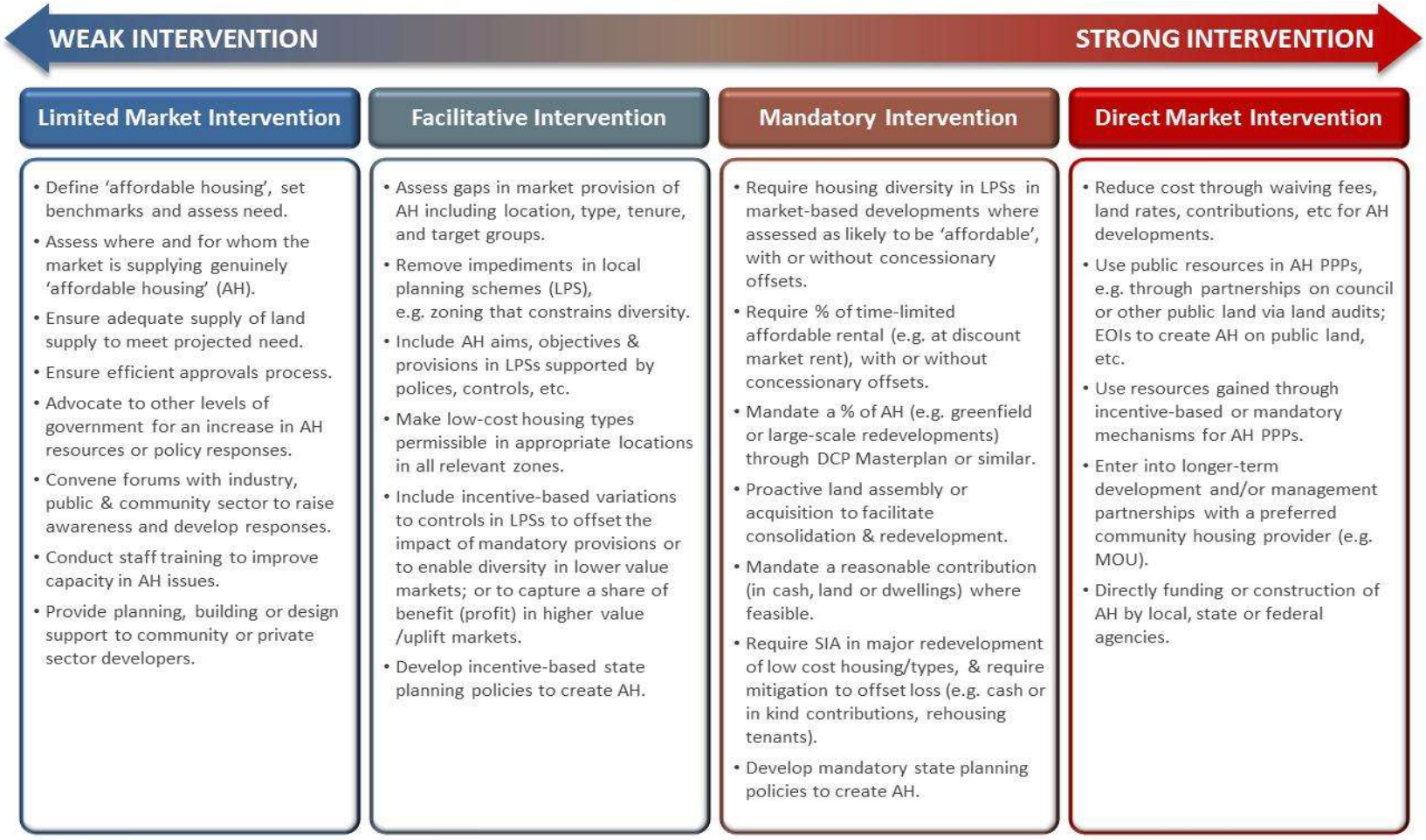
7.1 Overview of Mechanisms and Strategies

There are a wide range of strategies available to Council to promote affordable housing in the Queanbeyan-Palerang LGA. These strategies range from light planning intervention, such as education and advocacy; facilitative intervention, such as affordable housing incentives and removing impediments within planning instruments; to strong intervention such as mandatory affordable housing contributions, and direct provision of affordable housing through use of Council land in affordable housing partnerships, as shown in the figure below.

This section provides an overview of the main mechanisms and strategies that would be effective in the local context in accordance with the degree of planning intervention required, with relevant appendices providing more detailed data and analysis where relevant.

A **Case Study Booklet** has also been prepared by JSA which showcases a number of ways in which local government has engaged with affordable housing issues in their local communities (provided as **Attachment A**).

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Source: Stubbs (2003); JSA (2011)

Figure 7.1: Mechanisms and Strategies to Create Affordable Housing along a Continuum of Planning Intervention

7.2 Limited Market Intervention

7.2.1 Define affordable housing, set benchmarks and assess need

This Background Report provides definitions of affordable housing, sets benchmarks and assesses need for affordable housing. Definitions, benchmarks and delivery targets can be incorporated into an affordable housing policy. The following are recommended in accordance with statutory definitions and accepted benchmarks.

Table 7-1: Affordable Housing Income, Rental and Purchase Benchmarks – Rest of NSW

	Very Low Income Household	Low Income Household	Moderate Income Household
Income Benchmark	<50% of Gross Median Household Income for Rest of NSW	50%-80% of Gross Median Household Income for Rest of NSW	80%-120% of Gross Median Household Income for Rest of NSW
Income Range (2)	<$742 per week	$743-$1,187 per week	$1,188-$1,781 per week
Affordable Rental Benchmarks (3)	<$223 per week	$224-$356 per week	$357-$534 per week
Affordable Purchase Benchmarks (4)	<$255,000	$255,001-$406,000	$406,001-$610,000

Source: JSA 2022, based on data from ABS (2021) Census of Population and Housing, ABS (2022) Consumer Price Index, indexed to Mar Quarter 2022 dollars, ANZ Home Loan Repayment Calculator https://www.anz.com.au/personal/home-loans/calculators-tools/calculate-repayments/

(1) All values reported are in March Quarter 2022 dollars

(2) Median household income $1,434 (ABS Census 2021) for Rest of NSW; CPI 119.7 Sept 2021 123.9 March 2022 Adjusted income $1,484.

(3) Calculated as 30% of total weekly household income

(4) Calculated using ANZ Loan Repayment Calculator, using 05 July 2022 interest rate (3.94% pa) and assuming a 20% deposit for a 30 year ANZ Standard Variable Home Loan and 30% of total household income as repayments.

7.2.2 Include objectives in EPIs, and develop a strategy & policy

Include affordable housing aims and objectives in EPIs

The provision and maintenance of affordable housing is one of the objectives of the *Environmental Planning and Assessment Act 1979* and so could be considered as an implicit objective of instruments prepared in accordance with the Act. However, including affordable housing aims and objectives in local planning instruments sends a clear message of intention to developers and the community regarding Council's commitment to affordable housing and provides the foundation of the legal architecture to support affordable housing in the local area.

The provision of affordable housing could be included, for example, as one of the objectives of the R1, R3, R4, B3 and B4 zones and other zones where this is considered appropriate. Again, this would show explicit support for affordable housing development through the planning system,

DRAFT

including for affordable housing policies or in the assessment of development applications, discussed below.

Adopt an affordable housing strategy and policy

Likewise, the development of an **affordable housing strategy and an explicit policy on affordable housing** also signals and supports Council's priorities with regard to affordable housing. There are a number of examples of such policies, including those provided at links below.

- Shoalhaven City Council Affordable Housing Strategy: https://getinvolved.shoalhaven.nsw.gov.au/29550/documents/61492
- Bega Valley Shire Council Affordable Housing Strategy: https://begavalley.nsw.gov.au/community/affordable-housing-strategy#:~:text=The%20Affordable%20Housing%20Strategy%20provides,now%20and%20into%20the%20future.
- Inner West Council Affordable Housing Policy: https://www.innerwest.nsw.gov.au/community/for-residents/affordable-housing

7.2.3 Assess where and for whom the market is supplying genuinely affordable housing

Section 5.9 above identifies gaps in market provision of affordable housing, particularly for all very low and low income renters, many moderate income renters apart from the upper half of the income band needing smaller strata dwellings; and for all very low and most low income purchasers, as well as moderate income purchasing families with children.

The market could potentially provide for the needs of around 15% of those likely to need affordable housing by 2041 **provided there was sufficient supply of housing products most likely to be affordable.** This includes well-located smaller (studio, one and two bedroom) strata dwellings and entry level project homes on small lots; special housing products such as Boarding Houses and Co-living Housing; as well as caravan parks and MHEs managed and/or owned by Council or a community housing provider; and affordable seniors' developments.

However, **the needs of around 3,200 household are unlikely to be met through the market by 2041** without strong intervention in the housing market including the active engagement of the planning system to capture value uplift and/or direct provision or funding of affordable housing and affordable housing partnerships.

7.2.4 Set Affordable Housing Targets

Based on the above analysis, total projected need for affordable housing by 2041 would be around 3,775 dwellings, which could form the basis of affordable housing targets. Of these:

- 75% would be renters and 25% would be purchasers;
- Of renters, around 55% of are likely to be very low income households, with around 25% low income households, and 20% moderate income households;
- Of purchasers, a majority would be moderate income households, with a reasonable proportion on low incomes (noting that very low income households currently in housing

DRAFT

stress are likely to have experienced a change in life circumstances, and that this group is unlikely to be able to enter the purchase market in the future);

- Overall, 60% would need smaller strata dwellings and 40% would need homes suited to families with children, noting also the high level of need among very low and low income lone person renting households for studio and one bedroom units as well as boarding house and co-living type accommodation;
- At least 500 additional social housing dwellings will be required by 2041 to maintain the average level of provision for NSW, with 70% of these likely to be needed as smaller, well located strata dwellings and 30% needed as family accommodation, and noting that this does not account for the high rate of very low income households in private rental, many of whom would also likely be eligible for social housing;
- In addition, it is likely that 170 places will be needed in crisis, short-term, transitional and/or supported accommodation for the growing cohort of people at risk of long-term homelessness, noting the almost total lack of such accommodation for men in the Region.

This breakdown is shown in more detail in the table below.

Table 7-2: Need for Affordable Housing to 2041 (Current and Additional/Projected 2016-41)

	Renting Households			Purchasing Households		
	Suitable for Lone Persons or Couples w/o Children	**Suitable for Families with Children**	**TOTAL**	**Suitable for Lone Persons or Couples**	**Suitable for Families with Children**	**TOTAL**
Affordable to Very Low Income Households	798	311	**1109**	107	36	**143**
Affordable to Low Income Households	387	330	**717**	140	110	**249**
Affordable to Moderate Income Households	240	333	**573**	303	204	**507**
TOTAL DWELLINGS	**1,712**	**1,165**	**2,877**	**549**	**350**	**899**

Source: JSA calculations, using data from ABS Census of Population and Housing 2016 and .id Consulting Population Forecasts

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7.2.5 Ensure adequate supply of land to meet projected need

Overview

There appears to be an adequate supply of land in release areas around Braidwood, Bungendore, Googong and South Jerrabomberra.

However, development of affordable and lower cost housing through the market is constrained by current planning controls with regard to:

- Smaller housing types such as Multi dwellings housing; and
- Small lot housing.

For example, an entry level 140 m^2 project home on 225m^2 lot in an R2 zoned area in Bungendore would be just affordable to a low income household, and so would be affordable to all moderate income purchasers. This is typically the zoning in release areas in Bungendore, Braidwood and South Jerrabomberra, with minimum lot sizes generally much larger than this. The development of small lot housing is also constrained to provide two parking spaces per two bedroom dwelling in areas covered by the Queanbeyan LEP.

In R1 zoned release areas, Multi dwelling housing and RFBs can maximise opportunities for smaller homes on smaller lots, with developers interviewed in the preparation of the Background Paper stating that there was very high demand for one bedroom + study homes constructed on 130m^2 lots in Googong, and likely affordable to some low income purchasers. However, these dwelling types are prohibited in R2 zones; and there are constraints to their development in Bungendore and Braidwood related to minimum site area per dwelling.

Potential Actions

Council could consider:

- Making Multi dwelling housing permissible in R2 zones, or alternately zoning greenfield areas R1 to provide greater flexibility and affordability through the delivery of smaller housing types;
- Reducing minimum lot sizes within greenfield areas, particularly Bungendore (where the most significant impact on affordability would be experienced), and also in Googong, Braidwood and South Jerrabomberra;
- Reduction in parking to actual ownership in two bedroom apartments and Multi dwelling housing, and two bedroom houses on smaller lots (1 parking space);
- Eliminating minimum site area requirements for Multi dwelling housing, and reliance on FSR (typically 0.5).

7.2.6 Ensure efficient approvals process

Overview

This is a matter for consideration by Council and may be relevant to the extent that any delays in approvals are increasing the cost of development, for example, through deferrals or increased

DRAFT

holding charges, and where a more efficient process may accelerate the provision of affordable or lower cost housing.

It has also been reported by developers and not for profit providers interviewed in the preparation of this Background Paper that there have been lengthy delays for relatively simple planning matters, or where development has included the provision of affordable or alternative housing.

Potential Actions

Council could consider the following types of actions:

- Reviewing internal referrals/protocols between the planning and community services teams to explore how to improve efficiency and reduce costs associated with the DA process for developers and not for profit/community housing providers that include a component of affordable and alternative housing, or the potential to increase the supply of lower cost dwelling types such as smaller strata dwellings, boarding houses and co-living housing developments.

7.2.7 Advocate to other levels of government for an increase in Affordable Housing resources or policy responses

Currently, the level of social housing in Queanbeyan-Palerang LGA is around 78% the rate of the NSW average and only 58% the ACT social housing rate. Notably, the proportion of social housing in the LGA has declined significantly in recent years (from 4.4% of dwellings in 2006 to 3.3% of dwellings in 2021), and has also declined in absolute terms over that period.

This is a serious issue in the context of the large and growing number of very low income renters in severe housing stress in the private rental market, rents that are increasing at above average rates in real terms, and a serious lack of supply of private rental, particularly smaller strata dwellings, boarding houses and secondary dwellings. The relative underoccupancy of social housing is also noted, with at least 50% of households in three bedroom houses needing at least one less bedroom, and one-third needing two less bedrooms. The lack of recent activity by NSW Land and Housing Corporation, and that the LGA does not appear to be a priority with regard to future investment or estate renewal to grow stock is also noted.

As such, Council should enter into discussions with the NSW Land and Housing Corporation with regard to increasing the supply of social and affordable housing within the LGA as a matter of urgency.

A preliminary audit of land owned by Land and Housing Corporation has been undertaken as part of this study to identify underutilised sites and other redevelopment opportunities, particularly for smaller medium density housing as part of the forthcoming Affordable Housing Strategy. This is also likely to require amendments to planning controls to facilitate redevelopment at higher than the current densities and stock diversification.

A preliminary analysis and identification of a sample of public housing site and precincts is shown in Appendix B Section 2.14, and is discussed further below.

DRAFT

7.2.8 Convene forums with industry, public and community sector to raise awareness and develop responses.

Council can consider opportunities to convene working parties and forums about opportunities for the provision of lower cost and affordable housing. This could include raising awareness about the importance, likely viability and higher rates of return on housing products such as Boarding Houses and Co-living housing under the Housing SEPP, their role in promoting the efficient use of land, and the potential to provide more affordable and flexible housing options for low income and moderate income key workers and older people.

Other relevant provision of the Housing SEPP that have the potential to increase the supply of smaller apartments, such as Residential flat buildings and Build to Rent in the B3 Commercial Core zone are also important, and could be the focus for workshops and discussions with Community Housing Providers and the development industry, particularly until controls can be amended to increase opportunities for such accommodation within and around key urban centres.

7.2.9 Provide planning, building or design support to community or private sector developers

Council could also consider developing guidelines on the construction and design of affordable housing to provide assistance to developers in delivering affordable housing as part of the Affordable Housing Strategy.

Guidance on best practice on the planning, design and management of multi-tenure development incorporating a proportion of social and affordable housing is available in a project conducted by JSA for the NSW Community Housing Industry Association.[82]

7.3 Facilitative Intervention

7.3.1 Overview

The provision of **studio, one and two bedroom apartments** are likely to provide more diverse and lower cost (if not always affordable) housing options for very low and low income renting households in housing stress, and to moderate income purchasers; while **Boarding Houses and Co-living Housing and smaller manufactured homes in community managed caravan parks** are likely to provide affordable rental to some low income households and smaller moderate income households. Entry level project homes and villas of one, two and three bedrooms on **smaller lots** are also likely to be affordable to the upper end of low income purchasing households and many moderate income purchasers. Increasing the supply of such accommodation through the market will thus assist in meeting at least some affordable housing need.

It is therefore positive that the planning and economics summarised below, and in more detail in **Appendix C,** indicate that redevelopment of lower value uses for the construction of Shop top Housing, Residential flat buildings and/or Multi dwelling housing in B3, B4, R1, R3 and R4 zones

[82] https://communityhousing.org.au/publications/multi-tenure-developments-best-practice-approaches-to-design-development-and-management/

DRAFT

are likely to be viable, assuming that undue constraints on development discussed below are removed.

The first facilitative strategy is to ensure that there are **no impediments** to the development of such dwellings through the planning system, and to **actively seek to provide opportunities** for their development in appropriate locations through appropriate zoning and controls.

The second facilitative strategy is to actively encourage the take up of opportunities for affordable, diverse and lower cost housing types under the new ***Housing SEPP*** by the private sector and social housing providers.

The third facilitative strategy is to **provide incentives** for the development of types of dwellings and developments likely to be affordable when provided through the market.

Each of these is discussed in turn below.

7.3.2 Remove Impediments in Local Planning Instruments

Overview

This section investigates planning and economic constraints to the development of Residential flat buildings including Build to Rent, Multi dwelling housing and New Generation Boarding Houses/Co Living Housing within and around the three major urban centres of Queanbeyan, Bungendore and Braidwood.

The following provides a summary of findings, with a detailed examination of opportunities within B2, B3, B4, R1, R3 and R4 zones within and around these urban centres provided in Appendix C.

The preliminary assessment identifies a number of areas where planning controls act as a constraint to development. In summary, impediments to affordable and diverse housing in the LEP and/or relevant Development Control Plans include those related to parking requirements above actual ownership rates; requirements for ground floor commercial in Shop top housing in B3 and B2 zones, and extensive use of B3 zoning that precludes RFBs in Queanbeyan, and also restricts the operations of the Housing SEPP; height constraints in the R4 zone; ground floor open space requirements in RFBs; site area per dwelling in Multi dwelling housing and minimum lot size in the former Palerang areas.

These impediments could be further investigated by Council, such as by commissioning preliminary architectural design and quantity surveyor costings for some case study sites in Queanbeyan, and using this to better understand the impacts of variations to controls.

Queanbeyan B3 Zoned Land

Generally zoning within Queanbeyan town centre is quite liberal, with Shop top housing permissible with consent in the B3 zone, height of 10 stories, and FSR of 3:1. There appear to be many developable sites, particularly on the edges of the B3 zone, with large, lightly developed blocks in evidence. However, the market does not appear to have taken up the available opportunities, with only one high rise residential tower identified at 13 Morisset Street, probably constructed in 2014. This development appears to have five floors of residential development

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above a ground floor commercial development and a parking station, and likely exceeds the current density control of FSR of 3:1.

Preliminary economic analysis in Appendix C identifies two main impediments to the development of Shop top housing in Queanbeyan. These are the high rate of parking required by the Queanbeyan DCP and the likely poor return on development of ground floor commercial space in Queanbeyan town centre. In addition, there are DCP requirements in excess of the Apartment Design Guide relating to private open space and minimum dwelling size which will add to cost and preclude the provision of smaller dwellings. It is noted that much of the B3 zone is flood prone, and this will preclude ground floor residential in many locations. Council's preference for active street frontages is also noted. These concerns can be addressed by allowing lower and ground floors to be used for parking, and that active street frontages be provided, such as commercial uses facing the street, but not requiring commercial uses at ground level across the site.

The following actions are likely to enhance the economics of redevelopment in the Queanbeyan B3 zone and facilitate increased supply of lower cost and (for some) more affordable housing:

- Reduced parking in accordance with **actual vehicle ownership** and with a further reduction in light of proximity to services and facilities and to public transport connections to Canberra would remove a large impost on development. Suggested rates are no spaces for bedsit apartments, 0.5 spaces for one bedroom apartments, one space for two bedroom apartments and two spaces for three bedroom apartments, with no visitor spaces, relying on public parking in the area.
- Currently apartments are only permissible as Shop top housing, i.e. above a ground floor use of commercial premises or health care facilities. This makes the provision of parking difficult to co-ordinate with apartments, as apartments are not allowed above ground floor parking, and provision of underground parking is not viable due to the high cost of such provision. Provision of parking in a separate building on the lot will require setbacks from balconies and so reduce yield, and hence viability of the development. A provision allowing parking as a lower floor use under apartments as a form of Shop top housing would improve viability of redevelopment and would address concerns regarding flooding. A further provision could require active street frontages.
- Given the relatively low FSR with respect to permissible height in a B3 environment (where zero setbacks would be expected to be allowable), there are likely to be opportunities for providing additional FSR in return for providing lower cost forms of housing such as smaller apartments including studios.
- Commercial floor space appears to be of low value in Queanbeyan, and the value is likely to be less than the cost of construction. This appears to be part of a wider trend away from strip shopping centres and to increasing online retail and to mall type developments as part of ongoing structural changes to retail and working arrangements. One approach is to make the ground floor of buildings adaptable to commercial use, such as through appropriate ceiling height and floor loading, but allow it to be used for residential uses, noting that this would be constrained by flood levels. This would provide an opportunity for the market to allocate floor space to either residential or commercial uses, but would

DRAFT

ensure commercial use is not precluded should demand for commercial space increase in the future.

- Opportunities for developer contributions in lieu of provision of parking for commercial uses, such as towards a centrally located Council owned and operated parking station.
- Removal of any controls on apartment development in excess of the controls in the Apartment Design Guide, such as open space at ground level, minimum dwelling size (e.g. 50 m^2 that precludes studios) and minimum balcony size.
- A boarding house/co-living housing development was found to be marginal, however such developments can make a significant contribution to affordable and lower cost housing for key target groups including aged pensioners and low paid essential service workers. We note also that modelling was based on 80% of a median one bedroom unit rent, whereas the actual rents were found to be higher, so that they are likely to be more viable than the modelling. It is also noted that the high level of services and facilities and the regular bus service to Canberra would support a DCP provision for 0.2 parking spaces per room within the B3 zoned area, and this would improve the economic viability of such developments. This type of development is also suited to smaller lots, as compliance with the set back requirements of the Apartment Design Guide is not required, and so would provide opportunities for redevelopment of smaller lots. It may be that the local development industry has not considered or is not aware of such developments, and Council could support development through promotion.
- Rezoning some B3 to B4 on the perimeter of B3 where there is evidence of low value development, such as low rise commercial development with large areas of at grade parking. This would make RFBs permissible, and viable with appropriate relaxation of controls, and also open up more opportunities provided by the Housing SEPP in areas within 800 metres of B4 zoning.

Queanbeyan B4 and R4 Zoned Land

These zones are considered together as controls in the B4 and R4 zones are essentially the same with regard to residential development.

Development is largely constrained by DCP provisions around parking provision, density controls and private outdoor space. The controls appear to have been written with regard to controls for Multi dwelling housing, and effectively limit height to two story development when applied to Residential flat buildings, regardless of the Height of Building mapping, thus effectively precluding RFBs.

Preliminary calculations in Appendix C show that development for Residential flat buildings is unlikely to be viable under existing controls in these zones, and this is supported by the apparent lack of recent development for Residential flat buildings in Queanbeyan and surrounds. Developers interviewed also indicated that RFBs are not likely to be viable at two stories.

Development for Multi dwelling housing is likely to be marginal according to our economic analysis, and likely to be restricted to redevelopment of larger lower value lots. Again, reductions in parking requirements are likely to improve the viability of such development.

DRAFT

The following actions are likely to enhance the economics of redevelopment in the Queanbeyan B4 and R4 zones:

- Reduced parking in accordance with **actual vehicle ownership** and with a further reduction in light of proximity to services and facilities and to public transport connections to Canberra would remove a large impost on development. Suggested rates are no spaces for bedsit apartments, 0.5 spaces for one bedroom apartments, one space for two bedroom apartments and two spaces for three bedroom apartments, and visitor spaces at a rate of one per five dwellings.
- Allow for Height of buildings of at least 14.0 metres generally within the B4 and R4 zones. This would allow for three storey apartment construction with under-croft parking, similar to older apartment development in the precinct.
- Remove all DCP controls on residential flat buildings, and instead rely on the set back and other requirements of the Apartment Design Guide to control density, noting that the controls in the ADG typically produce a site footprint of around 30%.

Queanbeyan R3 Zoned Land

The economics of development for Multi dwelling housing in R3 zones is similar for that in B4 and R4 zones. Reduced parking in accordance with actual vehicle ownership will further facilitate development for Multi dwelling housing.

Queanbeyan R1 Zoned Land (Googong)

R1 zoned land is available in the Googong release area.

Preliminary modelling suggests that a range of developments are likely to be viable in this area, due to the lower land cost. In order of economic return, the preference for development appears to be (in descending order):

- Three storey residential flat building;
- Two storey town house development;
- Villa development; and
- Two storey residential flat building.

The major impediment to construction of three storey residential flat buildings is likely to be the level of parking required, and, based on actual vehicle ownership, lower levels of parking could be acceptable.

There does not appear to be any take up of building heights allowing three storeys or construction of Shop top housing in B2 (as well as R1) zones, and the predominant form of medium density housing provided is in two storey town house development on small lots.

Reduced parking in line with actual vehicle ownership as set out above will further facilitate the construction of Residential flat buildings. Additionally, it is recommended that controls rely on the provisions of the Apartment Design Guide, as the setback provisions of the Guide typically produce a site footprint of around 30%.

DRAFT

The other major release area, Jerrabomberra, does not contain any R1 zoned land. Provision of R1 zoned land, including small lot housing, areas with height of 14 metres, and reduced parking for Residential flat buildings, would provide additional opportunities to deliver smaller, lower cost, forms of housing.

Bungendore B2 Zoned Land

Based on preliminary modelling, development of Shop top housing in the Bungendore B2 is likely to be economically feasible under current planning controls, with the major unknown being the demand for commercial space and apartments in Bungendore, with an approximate 30 minute commute to major employment centres. Such development is not currently occurring, but a number of land parcels appear to have been bought recently by holding entities for developers. Development for residential accommodation is likely to be facilitated if residential flat buildings were an allowable use in the zone, or if areas were rezoned to B4.

Bungendore B4 and R1 zoned Land

Similar to Shop top housing, and based on preliminary economic modelling, development of Residential flat buildings in the Bungendore B4 and R1 zones is likely to be feasible under current planning controls, with the major unknown being the demand for apartments in Bungendore, with an approximate 30 minute commute to major employment centres.

Multi dwelling housing is likely to provide smaller lower cost dwellings in Bungendore. The major impediment to development for Multi dwelling housing in Bungendore B4 and R1 zones is the minimum lot area per dwelling requirement in the DCP. The requirement is equivalent to an FSR of 0.2:1.0, and preliminary calculations suggest that development economics with this constraint is marginal. If this constraint was removed, and relying on the effective FSR of 0.66:1.0 in the DCP controls, development is likely to be feasible with strong market pressure for redevelopment, and is likely to be feasible with an FSR of 0.5:1.0, as is typical of most R2 zoned areas. This constraint could be avoided if single storey residential flat buildings were constructed, allowing for greater site density and with similar economics to multi dwelling housing, however this type of development does not seem to be taking place, probably due to lack of perceived market demand.

Braidwood B2 zoned land

The development of shop top housing in Braidwood B2 zone is unlikely to be viable. This is because of the relatively high value of business zoned land and commercial property in Braidwood, and the low value of smaller dwellings. Development opportunities in the B2 zone are also restricted due to heritage constraints. Additional height is unlikely to improve viability, due to the high cost of providing parking in parking stations or below ground.

Braidwood B4 and R1 zoned Land

Multi dwelling housing is likely to provide smaller lower cost dwellings in Braidwood. The major impediment to development for multi dwelling housing in Bungendore B4 and R1 zones is the availability of suitably zoned land. The minimum lot size requirement will also affect development economics. The requirement is equivalent to an FSR of 0.2:1.0. While preliminary calculations suggest that development with this constraint is viable, such development is not occurring but has

DRAFT

occurred historically. If this constraint was removed and more land zoned R1, and relying on the effective FSR of 0.66:1.0 in the DCP controls, development opportunities will be enhanced.

The site density constraint could be avoided if single storey residential flat buildings were constructed, allowing for greater site density and with similar economics to multi dwelling housing, however this type of development does not seem to be taking place, probably due to lack of perceived market demand.

Opportunities for multi dwelling housing could be further enhanced by rezoning areas to the south and southwest of Braidwood from R2 to R1, and relaxation of height controls in these areas to at least 8.5 metres, allowing two storey construction.

Parking Controls

Actual vehicle ownership rates and proposed levels of parking for Residential flat buildings are set out in the table below. Parking below actuals is recommended in B3 and B4 zones to provide an additional incentive to develop smaller dwellings in these zones.

Table 7-3: Actual parking and recommended parking - Apartments

No of Bedrooms	Actual vehicle ownership	Recommended parking in B3 and B4 zones	Recommended parking elsewhere
Bedsit	0.2	0	0.2
1 Bedroom	1.0	0.5	1.0
2 Bedroom	1.2	1.0	1.2
3 Bedroom	1.7	2.0	2.0

Source: ABS Census 2016, JSA calculation

Actual vehicle ownership rates and proposed levels of parking for smaller Separate houses and Multi dwelling housing are set out in the table below. Parking below actual is recommended for one and two bedroom dwellings to provide an additional incentive to develop smaller dwellings.

Table 7-4: Actual parking and recommended parking – Separate dwellings and multi-dwelling housing

No of Bedrooms	Actual vehicle ownership	Recommended parking
1 Bedroom	1.2	1.0
2 Bedroom	1.4	1.0
3 Bedroom	1.7	2.0

Source: ABS Census 2016, JSA calculation

DRAFT

7.3.3 Actively Encourage Take Up of Housing SEPP Opportunities

Overview

There are a range of enhanced opportunities under the recently gazetted NSW Housing SEPP for an increase in affordable, lower cost and/or diverse housing types by the private sector and social housing providers, as discussed in Section 4.4.3 above. It is likely that many developers and social housing providers are unaware of opportunities that exist under the SEPP, and would benefit from leadership by Council in facilitating forums and other education processes to actively encourage the take up of these opportunities, to be proactive in identifying areas where development would be preferred from a strategic perspective, as well as identifying any unintended barriers that may exist to the implementation of relevant provisions under the SEPP.

Specific types of opportunities that may be beneficial in the context of the local housing market and affordable housing need are discussed below.

FSB Bonuses and Parking Reduction for Infill Affordable Housing

Overview

Bonus FSR under clause 17 and parking reduction under clause 18 could be beneficial in increasing the supply of affordable rental housing for at least 15 years if privately developed, or in perpetuity if developed by a social housing provider.

Although there are opportunities for such development within 800 metres of B1, B2 and B4 zones in the LGA, there are also limitations in relation to:

- The lack of FSR controls in all but B2 and B4 zones; and
- The extensive use of the B3 zone in Queanbeyan, which would preclude the benefits that arise from this provision in one of the main areas where such development would be appropriate and otherwise viable.

Potential Actions

Consideration could be given to:

- Introducing FSR controls in selected areas and/or otherwise providing for an equivalent incentive with regard to relaxation of other controls; and
- Selective rezoning of some of the B3 areas to B4 in Queanbeyan.

Consideration could also be given by Council to a similar relaxation of parking controls and bonus FSR in areas within 800 metres of B3 zoning where this results in at least 20% floor space dedicated to housing that is affordable to low income key workers (as defined) for at least 15 years, and managed by a CHP. This could be secured via a Planning Agreement under section 7.4 of the Act.

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Boarding Houses

Overview

New Generation Boarding Houses are a flexible and efficient urban land use, which are also likely to be affordable to around 50% of low income key workers, and possibly some older retired couples, particularly where they had some superannuation to augment their aged pension. There are some good models of Boarding Houses (which could also be adapted to the new Co-Living Housing land use introduced under the Housing SEPP). Together with Co-Living Housing, discussed later, they can fill an important gap in the rental market, particularly for low income key workers, visiting professionals, students, and people working on fixed term contracts; and would provide lower cost (if not always affordable) accommodation for very low income workers, aged and disability pensioners, and the growing cohort of single people at risk of homelessness, unless they were managed by a Community Housing Provider and offered at discount market rent.

Consultations in the preparation of this Strategy indicate that there is likely to be considerable demand for such accommodation, but a relatively low awareness of this opportunity, as evidenced by the limited supply of such accommodation in the LGA.

Under the Housing SEPP, Boarding Houses are only permissible in zones where they are permissible under a local planning instrument; and only permissible in R2 zones if they are within 400 metres of a B2 or B4 zone in a regional area, including Queanbeyan; although AHO and LAHC can develop Boarding Houses in R2 zones without consent. An FSR bonus applies in zones where Residential flat building are permissible. Parking requirements are also more favourable to development, with 0.5 spaces per room in regional and non-accessible areas. Boarding Houses must now be managed by a registered Community Housing Provider, and the Apartment Design Guide applies to developments of 3 or more stories.

Some examples of well-designed and managed Boarding Houses, including those providing low-level support for older people, are shown below.

Examples of Good Practice

Pembroke Street, Ashfield is an example of a modern, **purpose built New Generation Boarding House managed and operated by Hume Community Housing.** It offers high quality accommodation with a high quality finish throughout, at an affordable price, mainly to low income working single people and couples.

Each studio features well-appointed living areas, with a fitted fridge freezer, washing machine and tumble dryer as well as having fitted air conditioning. The studio offers a good-sized bedroom area with built in robes and well-appointed bathroom and kitchen. They each have their own balcony or courtyard; and there is also a common area lounge and a common area garden.

To be eligible for accommodation, prospective residents must meet all of the criteria below:

- Be an Australian citizen or Permanent Resident Visa holder, and be currently living in Australia;
- Be in full time or part time work;
- Have links to the area (such as work or close family);

DRAFT

- Meet specified income criteria;
- Children under 18 and pets are not accepted in these properties;
- All leases are signed for a 12 month fixed term period, with options to renew provided for those who continue to meet eligibility criteria.



Figure 7.2: New Generation Boarding Houses managed by Hume Community Housing



Figure 7.3: New Generation Boarding Houses managed by Hume Community Housing

New Generation Boarding Houses or Co-Living Housing can also be provided with some support to frail aged people or those with a disability who have no or very limited capital base (e.g. with a live-in manager, housekeeper, visiting support staff such as personal care workers, in-home meals, cleaning etc), including through DCJ or other government funding, through HACC Community

Aged Care Packages, or through models such as Abbeyfield which combine a housekeeper with community volunteering and resident engagement (potentially with funded support staff through other funding programs).

The Abbeyfield Housing Model offers a community based group housing option for very low income older people and people with a disability who are in need of housing and support:

- Houses are initiated, developed and managed by volunteers from local communities in partnership with Abbeyfield Australia;
- The houses are integrated into the streetscape and are non-institutional in design and operation, and usually accommodate no more than 10 people;
- Residents are encouraged to be active and involved in the running of the house and the life of the community; and
- The operation of the houses is supported by a formal legal and administrative framework linking the local and national levels;
- Support funding for a live-in housekeeper and visiting support staff can be incorporated through different funding programs.

The example below is from South Australia. However, Abbeyfield developments are also operating in various areas of NSW and the ACT.



Figure 7.4: Abbeyfield House, Williamstown, South Australia

Potential Actions

The following types of actions would be beneficial, and could be considered by Council.

- It is important that Boarding Houses are permissible in as a wide a range of residential and commercial zones as possible so that these opportunities are available under the SEPP. Currently, Boarding Houses are permissible in R1, R2, R3, R4, B1, B2, B3 (innominate) and B4 under the LEP. Council should maintain this permissibility in any future review of its local planning instruments.
- Again, the limitations to this form of development are noted in relation to the extensive areas of Queanbeyan zoned B3, which would preclude adjacent areas zoned R2 from being included as they would be if within 400 metres of a B2 or B4 zone. Rezoning of some B3 zoned areas to B4 could again be considered by Council to open up increased opportunities for this form or development (as well as Infill Affordable Housing and Residential flat buildings, discussed elsewhere).
- Council could facilitate information sessions and forums with private developers and social housing providers to raise awareness of opportunities under the SEPP, as well as best practice models of Boarding Houses and their potential to meet identified need in the LGA to actively encourage and increase this form of development.
- There are also opportunities for the development of Boarding Houses on Council land as part of affordable housing partnership developments with Community Housing Providers, discussed later. This could be provided as a standalone development, or as part of a mixed use or multi-tenure development.
- Consideration could also be given to relaxation of parking controls to those that would apply if within an 'accessible area' in Greater Sydney (that is, 0.2 spaces per room) in well-located areas of key centres to increase the viability of Boarding Houses, noting that this could also be tied to a requirement that rooms to which this applied would be affordable to very low income households (below market rent).

Residential Flat Buildings

Overview

The Housing SEPP now provides that Residential flat buildings (RFBs) are able to be developed by public authorities and social housing providers where they would not otherwise be permitted, or in B3 and B4 zones in nominated regional centres, including in Queanbeyan. Further, car parking is not required for the affordable housing component, with the affordable component required to be at least 50% of the development for not less than 15 years, and managed by a registered social housing provider.

Potential Actions

This provision opens up significant opportunities in the extensive B3 zone in Queanbeyan centre, and likely makes RFBs more economically viable in the B3 and B4 zones. If taken up this would provide an important supply of smaller affordable (including social) rental housing for key groups in need.

DRAFT

This could be actively facilitated by Council through:

- Encouraging social housing providers to take up opportunities provided by the SEPP to develop RFBs with at least 50% affordable rental housing;
- Exploring opportunities for partnership developments on Council and other publicly owned land in B4 and B3 zoned land in Queanbeyan centre;
- Consider further relaxation of controls including parking reduction to at least actual ownership to the non-affordable component.

Co-Living Housing

Overview

New provisions of the SEPP also open up important opportunities for a more flexible, efficient and lower cost form of residential accommodation in the form of Co-Living Housing, which is permissible where Co-living Housing, RFBs and Shop top housing development is permissible. In the Queanbeyan-Palerang LGA context, this is in B1, B2, B3 and B4 commercial zones, as well as in R1, R3 and R4 residential zones. It is therefore not permissible in R2 zoning.

It is likely that this form of development would be affordable mainly to smaller moderate income working households, although it may also be affordable to the upper end of the low income band, depending on amenity; and would likely provide lower cost (if not always affordable) and more flexible accommodation to very low and low income key workers, students, contract workers, and people on aged and disability pensions in lone person and couple households.

There is no requirement that the accommodation developed be managed by a community housing provider, and the potential for more economically viable development arises from the potential for a FSR bonus of 10%, and from parking requirements of 0.5 spaces per room. The requirement to comply with the Apartment Design Guide in developments of 3+ stories may provide some economic constraints to development at scale.

Potential Actions

Council could seek to facilitate this form of development through:

- Identifying precincts where it would seek to encourage this form of development;
- Providing information sessions on opportunities for Co-Living Housing with the private developers, and ensuring an efficient approvals process for such developments;
- Undertaking further economic analysis to understand any impediments to viability of such developments;
- Provide parking concessions in line with those that would apply to an accessible area in Greater Sydney for Boarding Houses (0.2 spaces per room) provided the development is demonstrated to be affordable to at least all low income key workers;
- Consider offering an increased density bonus to developments provided the development is demonstrated to be affordable to low income key workers in and around key centres;
- Ensure Council does not require design in excess of the Apartment Design Guide.

DRAFT

Build to Rent

Overview

The SEPP opens up opportunities for Build to Rent in the form of RFBs, Shop top housing and Multi dwelling housing within zones where RFBs are permitted, or in B3, B4 and B8 zones, provided there are at least 50 dwellings and the development is not strata subdivided for at least 15 years.

This opens up significant opportunities in the local context, provided the development can economically viable, including in relation to design, development and land value.

Council could consider the following actions to facilitate such development:

- Identifying precincts where it would seek to encourage this form of development;
- Provide information sessions on opportunities for BTR with private developers, and ensure an efficient approvals process for such developments;
- Undertaking further economic analysis to understand any impediments to viability of such developments;
- Provide parking concessions in line with those that would apply to an 'accessible area' in Greater Sydney to any dwellings demonstrated to be affordable to at least all key workers in the low and moderate income range, and to actual car ownership rates otherwise;
- Consider offering an increased density bonus to developments that provided the development is demonstrated to be affordable to low income key workers in and around key centres;
- Ensure Council does not require design in excess of the Apartment Design Guide.

Seniors Development

Overview

Developments for seniors and people with a disability have quite liberal planning provisions, and are permissible with consent in all business and residential zones, providing adequate access to services is available.

Potential Actions

Council could consider actively facilitating affordable seniors' developments through:

- Identifying precincts where it would seek to encourage this form of development;
- Provide information sessions on opportunities for seniors' development with private developers, and ensue an efficient approvals process for such developments;
- Providing incentives for developments that are comprised of studio, one and two bedroom strata units that are not strata subdivided, including a relaxation of relevant controls.

DRAFT

Caravan Parks and Manufactured Home Estates

Overview

Manufactured Housing Estates are not permitted in Queanbeyan-Palerang LGA under the Housing SEPP as it not a nominated area. However, caravan parks are not constrained in this way in the LGA, have more relaxed standards, and may contain manufactured homes or similar relocatable housing products as well as more traditional caravans.

Caravan Parks are permissible with consent in a range of zones under the QP LEP, including zoned RU5 Village, RU1 Primary Production, R3 Medium Density Residential, R4 High Density Residential, RE1 Public Recreation and RE2 Private Recreation.

As noted above, on-site vans, cabins and smaller manufactured homes, and sites which are rented where residents are able place their own home (rather than being required to purchase a home from the developer, often at exorbitant markups), have the potential to be affordable to some very low income households, and to low income households, particularly where these are owned and managed by Council and/or a community housing provider. However, there appears to be a relatively constrained supply of permanent sites in the LGA, and it may be difficult for new caravan parks to compete with higher value uses in residential zones, although rates of return are likely to be good, as discussed later.

Potential Actions

It is positive that caravan parks are permissible in a wide range of zones, and this should be maintained in any future amendments to local planning instruments.

Under the Housing SEPP, Council is required to impose a development condition specifying the maximum number of sites (if any) within that land that may be used for long-term residence. Council could consider establishing guidelines encouraging a higher proportion of permanent sites as part of appropriately located caravan parks, and seeking to provide for a higher proportion of such sites in licensing arrangements.

Council could also identify additional sites for residential caravan parks within or proximate to key centres, which could be developed as an alternative housing model (e.g. affordable tiny homes, worker or aged accommodation) and managed by a community housing provider.

Some potential sites on Council or other public land have been identified and are discussed below. It would also be beneficial to identify potential sites that are in private ownership in appropriate locations (for example, on RU1 zoned land) in addition to these publicly owned sites.

Secondary Dwellings

Overview

Secondary dwellings ("granny flats") can be a good source of smaller, lower cost rental accommodation, particularly where they are not subdivided. At the time of the 2016 Census, such dwellings comprised 0.7% of rental stock in Rest of NSW but only 0.3% of rental stock in QP LGA, with only 16 such dwellings reported to be in the private rental market in the LGA at that

DRAFT

time.[83] It is understood that this may not capture all of the secondary dwellings at this time, nor that have been constructed since 2016. However, it does allow for some comparison against an average for such dwelling types.

Under QP LEP, Secondary dwellings are permissible in a wide range of zones, including in RU1 Primary Production, RU2 Rural Landscape, RU5 Village, R1 General Residential, R2 Low Density Residential, R3 Medium Density Residential, R4 High Density Residential, R5 Large Lot Residential, B4 Mixed Use, E3 Environmental Management and E4 Environmental Living.

Potential Actions

Council could further investigate the reason for what appears to be a relative undersupply of secondary dwellings in the private rental market, noting that this provides for an important source of lower cost, if not always affordable rental stock, and that zoning is quite liberal for this dwelling type.

Council could provide active support for secondary dwellings that are not to be strata subdivided, including waiving developer contributions and DA fees in relevant areas.

7.3.4 Incentive based variations

Market based incentives

Based on preliminary modelling in **Appendix C**, there appears to be limited opportunities to create significant benefit for developers through the provision of additional height or density within Queanbeyan Palerang LGA. This is because most opportunities for uplift are associated with rezoning of rural land for residential uses and rezoning of R2 land to higher density uses such as residential flat buildings and multi dwelling housing.

There are incentives for construction of apartments in the B3 zone and other reduced controls in other areas through SEPP (Housing) 2021 as discussed above.

Incentives to enhance opportunities for benefit capture

As discussed above, there are limited opportunities for benefit capture from changes to development controls, with most uplift associated with rezoning of rural land for residential uses and rezoning of R2 land to zoning that allows higher density uses such as Residential flat buildings and Multi dwelling housing (e.g., R1, B4, R4 and R3 zones) accompanied by appropriate height.

Council could **consider developing a Planning Agreement Policy, whereby Council can capture part of the uplift associated with proposals for changes arising from planning proposals**. This can take two broad approaches. In the first, Council could carry out economic modelling and set target contribution rates associated with increased height, density or rezoning. In the second, Council could value uplift on a case by case basis, and take part of the uplift e.g., 50% as an affordable housing contribution, either in cash or in kind.

[83] ABS Census 2016, TableBuilder

DRAFT

7.4 Mandatory Intervention

7.4.1 Introduction

Mandating housing diversity is likely to be an effective mechanism for creation of affordable housing. This will be equitable where the mandating of such dwellings does not constitute an undue impost on the viability of development.

7.4.2 Mandating Housing Diversity

Existing areas

One bedroom strata dwellings are likely to be affordable to moderate income smaller households, with studio apartments likely affordable to some low income households, and would provide an important source of rental accommodation in general. However, one bedroom apartments are in very short supply in the LGA, whilst studio apartments are precluded by the DCP in terms of minimum apartment size of 50 m^2.

As well as amending the DCP to ensure that there are no impediments to studio apartments, Council could consider **mandating a proportion** of studio apartments of no more than 40 m^2 and one bedroom, one bathroom dwellings with a maximum floor area of 55 m^2 in Multi dwelling housing developments, Shop top housing developments and Residential flat developments in areas within 400 metres of town centres (for example, one dwelling in five or 20% of dwellings). This is unlikely to be an impost on the profitability of the development where amendments to controls recommended above are implemented. This could be done, for example, using a locality based DCP approach to desired dwelling type/mix in specific precincts and/or more generic provisions relating to required dwellings mix in the DCP for RFBs and Multi dwelling housing.

Council could also encourage an increased supply of two bedroom strata dwellings, and ensure that there are no planning impediments to their development as outlined above, Council could also consider **mandating a proportion** of two bedroom, one bathroom dwellings with a maximum floor area of 75 m^2 in multi dwelling housing developments and residential flat developments in areas within 400 metres of town centres (for example, two in five or 40% of dwellings). Again, amendments to controls outlined above would make this a more viable proposition for developers.

Greenfield sites

Council could **adopt a masterplan approach to Greenfield developments** and include the following types of requirements:

- A proportion of lots to be allocated to Multi dwelling housing (for example, 10% of lots), with mandatory provisions for smaller one and two bedroom dwellings (i.e. with one bathroom and a maximum floor area of 50 m^2 and 70m^2 respectively.
- A proportion of houses on small lots (for example, 20%).

DRAFT

7.4.3 Mandate Contribution to Affordable Housing

Introduction

As noted above, the provisions of section 7.32 of the Act now covers all of the State, and allows mandatory contributions toward affordable housing where contributions do not affect the viability of development, and a need for affordable housing in accordance with DPE Guidelines can be demonstrated.

JSA has undertaken preliminary economic modelling using the DPE Viability Tool to model potential uplift in indicative redevelopment sites, and has applied the same methodology to understand the likely uplift from rezoning of rural to residential land.

The following provides a summary of JSA's preliminary analysis.

Greenfield Sites

The modelling below estimates the likely value uplift from rezoning of rural land in selected precincts. Development costs have been estimated at $123,000 per lot. Land cost has been based on a recent sale in the precinct. The number of lots is based on use of 50% of the site, and taking the median lot size for recent sales in the precinct. Sales income is taken as median sales price less 4% for cost of sales and 10% for GST.

It can be seen that significant development uplift is associated with rezoning of rural land, and is likely to provide significant opportunities for an affordable housing contribution. In urban release areas around Googong and Bungendore, an affordable housing contribution of 15% of developable land area, or the equivalent in cash or dwellings, would not be unreasonable on the preliminary analysis.

Table 7-5: Preliminary assessment of uplift associated with rezoning of rural land

Area	Development Cost/lot	No lots	Land Cost	Total Cost	Median sales per lot	Income	Maximum affordable housing contribution
Googong[84]	$123,000	208	$7,750,000	$33,334,000	$343,000	$61,356,000	45%
Bungendore[85]	$123,000	1,230	$2,100,000	$153,390,000	$415,000	$438,987,000	65%

Source: EAC RedSquare data base; JSA calculation 2021.

[84] Recent land sales in Googong suburb had median area 485 m^2 and median cost of $343,000. Lot 9 DP 754881 with an area of 20.2 ha sold for $7.75 million on 23 August 2021.
[85] Recent land sales in Bungendore suburb had median area 1,000 m^2 and median cost of $415,000. Lots 7 & 8 DP 814191 with an area of 246 ha sold for $2.1 million on 16 March 2022.

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Upzoning of R2 land in Queanbeyan and surrounds

The (then) NSW Department of Planning, Industry and Environment has published an affordable housing Viability Tool to assess the viability of an affordable housing contribution from the rezoning of residential land.

Following consultation with Council staff, two indicative precincts with R2 zoning have been identified within Queanbeyan to assess the viability of an affordable housing contribution.

The area bounded by Tharwa Road, Donald Road and Fergus Road has been assessed based on upzoning from R2 to R3.

Based on an assumed FSR of 0.6:1.0 and two parking spaces per dwelling, the affordable housing Viability Tool finds that redevelopment of existing housing in the precinct for Multi dwelling housing is not viable with regard to generating sufficient land value uplift for an affordable housing contribution scheme.

The area bounded by Glebe Avenue, Cameron Road, Cooma Street and O'Hanlon Road has been assessed based on upzoning from R2 to R4.

Based on an assumed FSR of 1.2:1.0 and two parking spaces per dwelling, the affordable housing viability tool finds that redevelopment of existing housing in the precinct for Residential flat buildings is not viable with regard to generating sufficient land value uplift for an affordable housing contribution scheme.

At this time, it therefore seems unlikely that the levying of affordable housing contributions would be viable in relation to such upzoning, even with amendments to controls proposed earlier, as these amendments are likely to be required just to facilitate development without the additional impost of an affordable housing contribution.

7.4.4 Protect low cost housing

Clauses 45-48 of the Housing SEPP provides a mechanism for the protection of low rental Residential flat buildings and Boarding Houses. Council should ensure that planners are aware of this mechanism and that development applications are routinely assessed with regard to low rental accommodation and that appropriate conditions and/or contributions to offset the loss of such accommodation are put in place, particularly given the quantum of older walk up flats and units in Queanbeyan and Queanbeyan East.

Council can also use the provisions of section 4.15(b) of the Act through requiring an assessment of adverse social and economic impacts in relation to proposed re/developments that have the potential to result in a loss of lower cost or affordable housing, or to have an impact upon demand for the supply of such accommodation, and to require appropriate mitigation. This could include the redevelopment of existing low cost RFBs or public housing precincts or sites; or employment generating developments, such as mining and construction projects, that are likely to result in demand for longer-term rental accommodation, or short-term accommodation in caravan parks, boarding houses and motels, to the disadvantage of long-term lower income or more vulnerable residents. Appropriate mitigation with regard to increased supply or compensation for lost accommodation may be warranted in the context of the serious affordable rental crisis facing the LGA.

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7.5 Direct Market Intervention

7.5.1 Introduction

As discussed above, there are some significant gaps in market provision of affordable housing to key target groups. Even under optimistic scenarios, where smaller strata dwellings and New Generation Boarding Houses are provided through the market in key urban centres, major gaps for the most vulnerable target groups are likely to continue.

The remainder of the demand can only be addressed through some appropriate system of transfers. The majority of demand for affordable rental (46%) is from very low income households, and provision of housing to this group will require deep subsidies, either through subsidised housing such as affordable (including social) housing with rent tied to income for very low income singles, families and key workers; or 'affordable housing' with some degree of subsidy such as discount market rent for low income families, key workers, and those whose income or personal circumstances make them ineligible for public or community housing.

It is also likely that the number of very low and low income households able to purchase housing will decrease in the future, and that more of these households will remain in the long-term rental housing market.

As well as the creation of affordable (including social) housing through an Affordable Housing Contribution Scheme under section 7.32 of the Act, discussed above, the main way that most very low income and many low income renting households can be affordably accommodated is through the direct creation of affordable rental housing through government funding; the use of Council and other public or community owned land in affordable housing developments and partnerships; and the more efficient use of existing social housing stock.

A number of relevant strategies are looked at below.

7.5.2 Cost reduction

Overview

Ensuring an efficient development assessment process and reducing fees and charges could make a marginal development more attractive, but it would be preferable that the developer demonstrated the benefits, including that the housing created would be genuinely affordable in the long-term against relevant affordability benchmarks set out above. The most effective use of this type of subsidy would be for developments conducted by a registered Community Housing Provider (CHP), although the benefits associated with affordable rental housing or lower cost housing types can be secured through a planning agreement or other suitable mechanism.

Private sector developers and not for profit services and housing providers have raised issues related to the impact of delays in the approval process and issues related to the disincentive to creating affordable and lower cost housing types related to fees and charges.

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Potential Actions

As well as reviewing approvals processes for relevant developments, outlined above, Council could also consider:

- Opportunities to waive fees for affordable housing developments, for example by providing rate rebates to community housing providers, or reducing development application and construction certificate costs associated with affordable housing developments.
- Council could also consider suggestions from developers with regard to lowering the cost of development where it is demonstrated to result in an increased supply of affordable and/or lower cost housing, including reducing s64 and s94 contributions.
- Development of a planning agreement policy to ensure a transparent process for such concessions, and ensuring that the benefits arising from this are guaranteed.

7.5.3 Provision of Affordable Housing on Council or Other Public Land

Overview

Given the limitations of market delivery of affordable housing to all very low income households, most low income households, and many moderate income households, and the deep subsidies required to affordably accommodate very low and low income households, an effective way of delivering affordable housing is through development of such housing on publicly owned land, and rented through or managed by a community housing provider. This land may be owned by Council, NSW LAHC or by another public authority, and have the potential for development or redevelopment due to being vacant, having a redundant use or being underutilised. It can be developed as a standalone affordable housing development, or as part of a mixed use and/or mixed tenure development incorporating a component of market housing, affordable rental (discount market rent and social) housing, and shared equity purchase housing.

Such land can be developed under a variety of contractual arrangements. This can be by Council acting alone; or in conjunction with a partnering agency or agencies, such as a registered Community Housing Provider or other NGO. The desired outcomes for Council and the community can be specified by Council, for example, under a competitive EOI process, with performance criteria related to number and mix of dwellings, target groups to be accommodated, expected returns, sharing of risk, title sharing arrangements, etc.

Financially, the arrangement can be structured in a number of ways, depending on Council's preference. It can involve an effective contribution from Council (e.g., in the form of part or all of the capital cost of the land); can be cost neutral (e.g., where some of the units are sold to recoup the cost of the land); or even revenue raising in some markets (for example, where some units are sold to fund the cost of development, and income generating uses such as residential, commercial or retail are provided in the development). The site can also be a 'recipient' site for income generated through contributions to affordable housing generated off site through the planning system (e.g. through incentive-based contributions).

A CHP can be involved as a partner in the development process, can take the lead on development, or can simply be the manager of social and affordable housing created as part of the development process, depending on how much risk Council is willing to accept.

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Council has more direct control of the future redevelopment of sites which it owns, manages and/or otherwise controls. However, there are also opportunities to make the redevelopment of other publicly owned sites more attractive to government authorities through the planning system and proactive approaches to such authorities.

Case Studies: Potential Affordable Housing Partnership Sites

JSA has been provided with map layers for Council owned and managed land. A number of potential development sites have been identified for further investigation, with these set out in **Appendix B**. Sites are typically within 800 metres of Queanbeyan town centre, or with public transport links to Queanbeyan town centre, and are relatively free from constraints, apart from some flooding. Sites have also been considered in Bungendore and Braidwood.

Preliminary modelling has been carried out for the following types of development:

- Caravan Park / MHE
- Residential Flat Building
- Boarding House
- Seniors development

Preliminary modelling suggests development will be viable, and supports further investigation, including preliminary design and financial modelling.

There are opportunities for development of Caravan Parks on council owned and crown land in the areas of Queanbeyan, Bungendore and Braidwood, with this having the advantages of permissibility, ease of delivery including with regard to time, and affordability to very low income households.

For a longer term project, there are a number of car park sites within Queanbeyan which could be developed under SEPP (Housing) 2021 to provide affordable housing and a Council Depot site in Braidwood which could be developed for Seniors Housing or for multi dwelling housing.

Similarly, modelling carried out for assessment of viability of development suggests that development of multi dwelling housing on Council owned land in Bungendore and Braidwood is likely to be viable, noting that such development will be impacted by DCP requirements around minimum lot area per dwelling.

Caravan Park on Council owned land

Council owned land in Queanbeyan, Braidwood and Bungendore could be partially developed as an affordable caravan park, containing all long term sites, and with some form of manufactured home or tiny home development. Modelling has been based on a two hectare development. This model is relevant for areas where caravan parks are permissible (RU5 Village, RU1 Primary Production, R3 Medium Density Residential, R4 High Density Residential, RE1 Public Recreation and RE2 Private Recreation zones). Options considered include onsite cabins or

DRAFT

manufactured homes for rental (with the site), and site rental only.[86] Infrastructure costs, such as water and sewer, have not been included, and if required will adversely affect the modelling below.

Based on densities at other caravan parks in the area, around 90 sites could be provided on a two hectare site. There is limited publicly available information on the costs of operating caravan parks. In 2017, Coffs Harbour City Council spent $2.351 million[87] operating four caravan parks with a total of 714 sites,[88] giving an annual cost of $3,293 per site, or $63 per week. The cost of operating a caravan park for residential purposes is likely to be lower than this, as the Coffs Harbour caravan parks include a high level of amenity such as swimming pools and communal facilities; and also provide hire cabins for tourist use, with likely costs associated with regular cleaning.

In our modelling, site rentals have been assumed to be affordable to single person households on Centrelink payments, noting that site rental at the only long-term residential caravan park in the LGA was affordable to a very low income household. This would provide opportunities for people to purchase a second hand caravan, with these available for under $5,000; and an opportunity for people to purchase a manufactured or tiny home to place on the site, with significant savings from purchasing direct from the manufacturer rather than through a park operator, which normally incurs significant mark-ups.

The provision of basic one bedroom cabins or manufactured homes on site would provide affordable rental to very low income households, including single aged pensioners, when considering home and site rental.

Income typically exceeded costs by around 50%, suggesting opportunities to earn a reasonable return on the land. For the mixed development, a 5% return on the land is equivalent to a land value of $2.5 million per ha. Returns would be higher if the homes were rented to a range of very low, low and moderate income groups, and could also be larger homes to accommodate families or shared (group) households.

Table 7-6: Comparison of Options for MHE or Caravan Park

	Provision of sites only	**Including basic one bedroom cabin**	**Half site only and half basic one bedroom cabins**
Expected number of sites	90 sites	90 cabins	45 sites 45 cabins
Target groups	Site rental of $140 p.w. will be affordable to very low income households including for single person households receiving Centrelink payments	Cabin rental of $190 p.w. will be affordable to very low income households, including single aged pensioners, but will exclude some single person households	Site rental of $140 p.w. will be affordable to very low income households including for single person households receiving Centrelink payments

[86] Rates from Rawlinsons Australian Construction Handbook 2019 plus 30%, cabin price based on AJC Portables Price Guide 2018 plus 10% for site costs.
[87] Coffs Harbour City Council (2017) *Financial Statements 2017*, page 25.
[88] Based on an inspection of site maps at https://www.coffscoastholidayparks.com.au/parks/

DRAFT

	Provision of sites only	Including basic one bedroom cabin	Half site only and half basic one bedroom cabins
		receiving Centrelink payments	Cabin rental of $190 p.w. will be affordable to very low income households, including single aged pensioners, but will exclude some single person households receiving Centrelink payments
Estimated cost of construction	$2.9 million	$6.0 million	$4.5 million
Annual cost based on 5% interest and typical operating costs	$443,000	$596,000	$519,000
Expected annual income	$655,000	$889,000	$772,000
Ratio of income/cost	1.48	1.49	1.49

Source: JSA 2022

Modelling on Council Owned Land in Queanbeyan

The sites available are at grade car parks within Queanbeyan Town Centre. Two options are considered. These are a New Generation Boarding House for very low income renters (assuming social housing rent levels) and a Residential flat building under Division 5 of SEPP (Housing) 2021 providing accommodation for very low and low income renters and low and moderate income purchasers. Note that a demonstration development could also include a mix of these uses in a multi-tenure development. Residential flat buildings under Division 5 require active street frontage, however all the car parks considered are in the middle of blocks and so do not have a street frontage. There are density bonuses within SEPP (Housing) that could provide additional FSR for the construction of boarding houses and seniors development. These have not been considered in this modelling. The flood constraints within Queanbeyan Town Centre are also noted, including the impact on the feasibility of ground floor residential, but have not been considered in this modelling.

For the residential flat building, we have assumed 50% sales, 25% discount market rent and 25% social rent. Sales have been taken as the third quartile for Queanbeyan for the dwelling type as new dwellings typically attract a premium. We have assumed a site area of 2,000 m^2 for modelling purposes; however, preliminary architectural modelling would be required to confirm assumptions made in modelling.

DRAFT

The **Residential flat building**[89] was assumed to be ten stories and to utilise an FSR of 3.0:1.0 for the site. Development is expected to yield 80 dwellings, and provide affordable rental to low and very low income households, including smaller households on Centrelink payments. Preliminary modelling suggests that income from such a development would exceed costs by 25%. Preliminary modelling is based on 50% sales, 25% affordable rent and 25% social rent. It is possible that sales could provide opportunities for a component of shared equity for low income workers. The cost includes replacement of lost at grade parking in a parking station elsewhere in the unused portion of the car park site, and includes parking for the non affordable housing component at the DCP rate in accordance with clause 38(4) of SEPP (Housing) 2021. Lower rates of parking for the market component would reduce costs.

The **Boarding House** was assumed to use three floors of the Residential flat building.[90] Development is expected to yield 50 boarding rooms, all with en suite bathrooms and kitchen in boarding rooms, and providing accommodation to smaller very low income households including those on Centrelink payments. Income exceeded costs by 17%. The design assumptions were based on drawings for a high quality multi storey boarding house, and cost savings could be achieved through reduced amenity.

Changing assumptions of the tenant profile to include low income workers in addition to very low income workers and Centrelink recipients would significantly improve the economic viability of the proposal due to the ability to charge higher rents.

Table 7-7: Comparison of Options for Indicative Developments

	Residential Flat Building	Boarding House
Expected number of apartments	20 one bedroom rental (10 social rental, 10 discount market rental) 20 one bedroom sales 20 two bedroom rental (10 social rental, 10 discount market rental) 20 two bedroom sales 40 parking spaces	50 boarding rooms (25 social rent, 25 discount market rent) 25 parking spaces
Target groups	Rental: One bedroom affordable to low income renters ($293 p.w.) Two bedroom affordable to low income renting households ($353 p.w.)	Rental: Half boarding rooms affordable to very low income renters ($220 p.w.)

[89] Assumptions included: Additional 15% for balconies, rates from Rawlinsons Australian Construction Handbook 2019 plus 30% for professional fees and profit, minimum sized apartments under the Apartment Design Guide, rents 75% of market or social rent, 10% of rent as administration cost.
[90] Assumptions included: average of 36 square metres per boarding room including circulation space and common areas with typical 26 square metre room including en-suite and cooking facilities, parking per SEPP (Housing) (0.5 spaces per room), rates from Rawlinsons Australian Construction Handbook 2019 plus 30%, rents 80% of market rent or social rent, 10% of rent as administration cost.

DRAFT

	Residential Flat Building	Boarding House
	One and two bedroom social rental affordable to households on Centrelink payments (one bedroom $140 p.w., two bedroom $220 p.w.) One bedroom sales affordable to low income households ($325,000) and two bedroom sales affordable to moderate income households ($448,000)	Balance affordable to single people on Centrelink ($140 p.w.)
Estimated cost of construction	$23.9 million	$7.2 million
Annual cost based on 5% interest (less sales)	$420,000	$360,000
Expected annual income based on 10% administration cost	$523,000	$421,000
Ratio of income/cost	1.25	1.17

Source: JSA 2022

Modelling on Council Owned Land in Braidwood

The site considered is the Council depot site in Braidwood. Under current zoning, Seniors housing is permissible with consent. Subject to a planning proposal to obtain rezoning of the site, the site could be developed for multi dwelling housing. These two options are considered below.

Both developments were assumed to be single storey, with a 30% site footprint.[91] The DCP constraints on multi dwelling housing were not included. Development is expected to yield 26 dwellings. The seniors development would provide affordable rental to aged pensioners, while the villa development would provide affordable rental to low and very low income households, including smaller households on Centrelink payments.

Preliminary modelling suggests that income from such a development would exceed costs by a factor of three. Preliminary modelling is based on 38% sales and 62% rental. Surplus income could be used to increase the proportion of subsidised rental accommodation, and/or to offset costs to Council from the relocation of the depot.

Changing assumptions of the tenant profile to include low income workers in addition to very low income workers and Centrelink recipients would significantly improve the economic viability of the proposal due to the ability to charge higher rents.

[91] Assumptions included: Rates from Rawlinsons Australian Construction Handbook 2019 plus 30% for professional fees and profit, rents 75% of market or social rent, 10% of rent as administration cost.

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Table 7-8: Comparison of Options for Indicative Developments

	Seniors development	Villa development
Expected number of dwellings	26 two bedroom (10 sales, 16 rental to 50:50 single and couple pensioners) 26 parking spaces	26 two bedroom (10 sales, 8 discount market rental, 8 social rental) 26 parking spaces
Target groups	Social rental affordable to single age pensioner ($221 p.w.) Social rental affordable to couple age pensioner ($292 p.w.) Sales affordable to low income households ($365,000)[92]	Discount market rent affordable to moderate income renting households ($300 p.w.) Social rental affordable to family households on Centrelink ($260 p.w.) Sales affordable to low income households ($365,000)
Estimated cost of construction	$4.9 million	$4.9 million
Annual cost based on 5% interest (less sales)	$63,000	$63,000
Expected annual income based on 10% administration cost	$192,000	$210,000
Ratio of income/cost	3.1	3.3

Source: JSA 2022

7.5.4 Redevelopment of Social Housing

There is extensive under occupancy of social housing in Queanbeyan-Palerang LGA. At the time of the 2016 Census, 61% of social housing was three or more bedroom dwellings. Of these, one in five contained one person and one in three contained two people. As such, more than 50% of three bedroom dwellings were underoccupied by at least one bedroom.

There are likely to be opportunities to redevelop older underoccupied separate houses to deliver smaller dwellings, such as one and two bedroom Residential flat buildings or New Generation Boarding Houses. Relocation of smaller households into such stock would also free up larger houses for families. There is considerable demand for social housing in Queanbeyan allocation zone, with waiting times for all dwellings reported as 5-10 years by DCJ (20201) waiting list data.[93]

Appendix B contains a list of public housing sites in Queanbeyan. There are many instances of adjacent sites which would be suitable for redevelopment.

For example, there are clusters of older public housing in Crestwood and Karabar in R2 zoned areas. Redevelopment opportunities appear limited, as multi dwelling housing is not permissible and opportunities though SEPP (Housing) 2021 are limited due to restrictions on permissibility of Seniors Housing and Boarding Houses related to access to services and facilities. Redevelopment could be facilitated by rezoning selected areas of Crestwood and Karabar to R3 in consultation

[92] Note that sales income may be by way of repurchase agreements, rather than direct sales.
[93] https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times

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with Land and Housing Corporation, thereby allowing the construction of Multi dwelling housing or residential flat buildings. Some relaxation of DCP controls may also be required to facilitate development. This type of redevelopment has occurred where opportunities are available, such as in Pound Street (zoned R3) where public housing at the corner of Pound and High Street has been recently redeveloped for seven multi dwelling housing dwellings, likely replacing two separate dwellings.

There are opportunities for Multi dwelling housing on R3 zoned land in Gerald Street, with two sites containing adjacent lots identified, and redevelopment for Multi dwelling housing has occurred on privately owned land in this area.

There are other areas, such as around Meech Place, Queanbeyan West, where proximity to bus services could support development for Seniors Housing under SEPP (Housing) 2021, noting that Seniors Housing could be developed elsewhere if a transport service is provided.

A comprehensive review of public housing sites in Queanbeyan-Palerang LGA may identify other opportunities such as those noted above.

Preliminary discussions with LAHC have indicated that, although the LGA has not at this time been identified as a priority for public housing renewal or significant investment, there are opportunities for Council and a Community Housing Provider to put proposals to LAHC for title transfer or long-term lease of older, low density public housing stock to a community housing provider to facilitate selective development of this stock to more diverse housing types and possibly tenures (e.g. a mix of social housing, affordable (key worker housing, and shared equity purchase), as long as there is no net loss of social housing.

7.5.5 Crisis, short-term, temporary & transitional accommodation

Overview

A 'perfect storm' of housing, funding and economic factors has resulted in an affordable housing crisis in areas like QP LGA, and increasing homelessness amongst even those who would once have been able to access private rental, including lower income working people and moderate income families, and an intensification of impacts for more vulnerable people.

As well as the serious undersupply and loss of social housing, the severe shortage of dedicated crisis, short-term and transitional accommodation for the increasing number and types of people at risk of homelessness is affecting those most vulnerable in the housing market, including older single people, sole parent families and those leaving family violence, and people with a disability; and is leading to increased homelessness. Single homeless men remain the largest and possibly most difficult to accommodate, with only one crisis refuge in the whole of the South East Region (in Wollongong).

As well, the severely inadequate supply of private rental is leading to increased homelessness among new cohorts, including older women with limited capital, and lower income workers and families, leading one service to comment, 'Finding housing is no longer about having a job – it's about having housing to move into'. This is exacerbated by 'exit blocks' from crisis and short-term housing due to the severely inadequate supply of social and private rental, and the loss of

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accommodation formerly used as temporary accommodation such as motels and caravan parks due to increased demand from workers and domestic tourists.

As well as medium to longer-term strategies, proposed above, there is also a need to develop short-term strategies to house the growing number of people described by services as living in unsuitable, overcrowded and unsafe conditions, staying temporarily with others, couch-surfing, sleeping in cars, old caravans or sheds, or sleeping rough, as a matter of urgency.

Potential Actions

Council could advocate for and actively support the provision of crisis, short-term, temporary & transitional accommodation for the growing number of homeless people in the LGA, including:

- 'Meantime use' of vacant or underutilised Council, public, community and private buildings and regulatory support and flexibility for their use as crisis and short-term accommodation;
- Pop-up models of crisis accommodation, such as a 'Winter Sleep-In' Pilot in Council or Church Halls;
- Identify Council or other publicly owned land in close proximity to the town centre suited to older people with some support needs, including based on the Abbeyfield model or tiny home/MHE model of self-contained independent living units with some common areas and facilities to foster community and social support;
- Identify Council and other publicly owned land for projects developed by local services and networks that are likely to receive funding;
- Placement of at least small MHs or tiny homes on vacant public or private (philanthropic) land on land where caravan parks are permissible;
- Planning and resourcing support for not for profits and community housing providers seeking to engage in these activities, including ensuring that there is no delay in the approvals process, and waiving DA fees and the like;
- Reviewing Council's internal referrals/protocols between the planning and community services teams to explore how to improve efficiency and reduce costs associated with the DA process for services/community organisations with affordable and alternative housing development projects could be achieved;
- Reducing on-going costs for affordable housing developments and alternative accommodation through rates reductions, or other financial support;
- Seeking funding for upgrades and conversions of buildings where relevant;
- Developing a community awareness campaign on homelessness, including the increasing risk to a wide range of cohorts;
- Promoting the return of properties used for STRA to the long-term private rental market, and for headlease by social housing providers (including promoting the benefits of such arrangements);

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- Facilitating a pilot brokerage scheme that matches owner occupiers in large underoccupied homes with people who are at risk of homelessness, including young/single key worker, older women, etc.

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